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1988

Operating Results of Independent Supermarkets

FOOD MARKETING INSTITUTE

A4950-4 U

OPERATING RESULTS
OF
INDEPENDENT SUPERMARKETS

1988

The Research Department

Food Marketing Institute
1750 K Street, NW
Washington, DC 20006

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by

Food Marketing Institute (FMI)

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The Food Marketing Institute (FMI) is a nonprofit association conducting programs in research, education and public affairs on behalf of its 1,600 members ~ food retailers and wholesalers and their customers in the United States and around the world. FMI's domestic member companies operate approximately 17,000 retail food stores with a combined annual sales volume of $180 billion ~ more than half of all grocery sales in the United States. FMI's retail membership is composed of large multi-store chains, small regional firms and independent supermarkets. Its international membership includes more than 200 members from over 50 nations.

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About This Report

The Food Marketing Institute *Operating Results of Independent Supermarkets, 1988* represents the most complete, accurate and up-to-date comparative financial performance information available anywhere. This study is designed to serve as an easy-to-understand, managerial tool for independent supermarket retailers to evaluate their own store's operating results in order to pinpoint strengths and weaknesses, and improvement opportunities. The overriding goal of this report is to provide information which will enable independent supermarket operators to better manage their stores.

The detailed survey results which appear in this report include four store formats--conventional supermarkets, super stores, superette stores and warehouse stores (definitions located in the Appendix). Conventional supermarket operators data are provided for all stores as a group, by weekly sales volume, by selling space, geographical region and by the high and low profit performing retailers. Super stores data are provided for all stores, by weekly sales volume and high and low profit performing stores, while data for superette stores and warehouse stores include all stores as a group and the high and low profit performing stores for each.

A variety of information is provided for each group including sales data; productivity measures relating to personnel, space utilization and inventory; percentage income statement; and departmental statistics.

In addition to the detailed industry comparative operating performance statistics, the report also features:

- A section which highlights the 1988 independent supermarket industry performance as it relates to the U.S. economy and compares the four store formats on a variety of performance measures.
- Detailed explanatory information on how to best understand and use the financial data in this report.
- Ratio definitions and explanations which show exactly how each ratio is calculated and what it means using a hypothetical store.
- Winners versus losers for each store type.
- Information about the survey demographics and methodology.

Perhaps the most valuable feature of the *FMI Operating Results of Independent Supermarkets, 1988* is that **all** stores participating in the survey received, **absolutely free**, an in-depth confidential Company Performance Report. This report presents a company's own confidential ratios and data computed in a manner that is consistent with those appearing in the industry report, and displayed alongside the appropriate industry comparatives. This confidential report can be a critically important managerial tool for an individual store, and is **available nowhere else.** A representative page from a sample Company Performance Report for a hypothetical company is illustrated on the following page.

SAMPLE COMPANY

COMPANY NO. 1

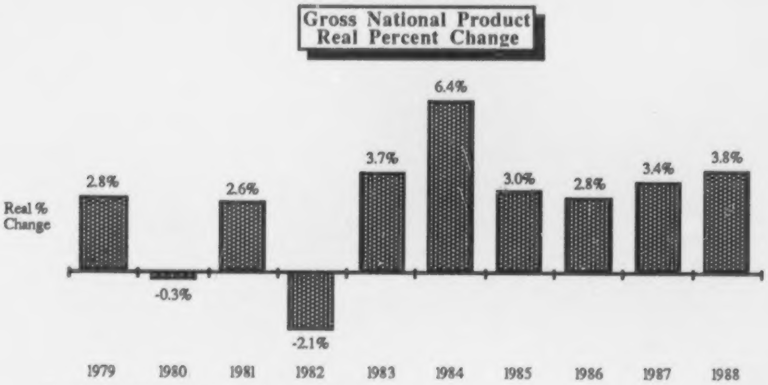
CONFIDENTIAL INDIVIDUAL STORE PERFORMANCE REPORT STORE SALES(AS REPORTED):$4,450,107

	YOUR STORE	CONVENTIONAL ALL STORES	EAST NORTH CENTRAL	$70,000 TO $125,000	HIGH PROFIT
SALES DATA					
Percent Change from Previous Year	8.6 %	5.9	6.1	6.1	5.1
Average Transaction Size	$10.72	14.93	16.99	15.60	13.16
Store Sales per Hour of Operation	$815	1,279	2,027	1,583	1,093
Distribution of Sales:					
Grocery	50.6 %	56.2	52.4	56.0	58.3
Meat	19.7 %	16.4	15.8	16.5	18.0
Produce	9.0 %	8.0	8.8	8.5	7.9
General Merchandise/HaBA	6.1 %	2.4	3.4	2.6	1.8
Beer/Wine	0.0 %	1.3	2.0	1.3	0.4
Service Deli	1.1 %	3.7	4.5	3.6	3.7
Scratch/ Bake-Off Bakery	1.6 %	1.5	2.0	1.5	0.5
Frozen Food	4.2 %	3.3	3.4	2.9	3.6
Dairy	7.3 %	5.2	5.4	4.8	5.1
Other	0.5 %	2.0	2.5	2.5	0.8
Total	100.0 %	100.0	100.0	100.0	100.0
INCOME STATEMENT DATA					
Sales:					
Grocery	70.2 %	72.0	71.0	71.5	70.5
Meat	20.8 %	20.1	20.3	20.0	21.7
Produce	9.0 %	8.0	8.8	8.5	7.9
Total Sales	100.0 %	100.0	100.0	100.0	100.0
Gross Margins:					
Grocery	19.6 %	20.4	21.3	20.3	20.0
Meat	23.6 %	25.1	26.3	25.3	25.1
Produce	31.0 %	30.1	30.6	31.7	30.7
Total Gross Margin	21.4 %	22.1	23.4	22.7	21.8
Operating Expenses:					
Store Labor:					
Regular	6.5 %	8.8	9.0	8.5	8.4
Benefits	0.8 %	1.6	2.0	1.5	1.5
Total Store Labor Expense	7.2 %	10.3	11.1	9.9	10.0
Advertising & Promotion	2.0 %	1.1	1.0	1.0	1.2
Occupancy (Excluding Utilities)	0.9 %	1.7	1.7	1.6	1.5
Utilities	1.6 %	1.1	1.0	1.0	1.4
Maintenance	0.7 %	0.6	0.6	0.5	0.6
Store Supplies	0.9 %	1.1	1.1	1.1	1.2
Interest	1.8 %	0.2	0.2	0.2	0.2
Other	2.9 %	3.3	3.3	2.5	2.9
Total Operating Expenses	17.9 %	20.8	21.1	19.2	20.8
Profit Before Tax	3.5 %	1.6	2.0	3.4	1.3

Overview of Industry Performance

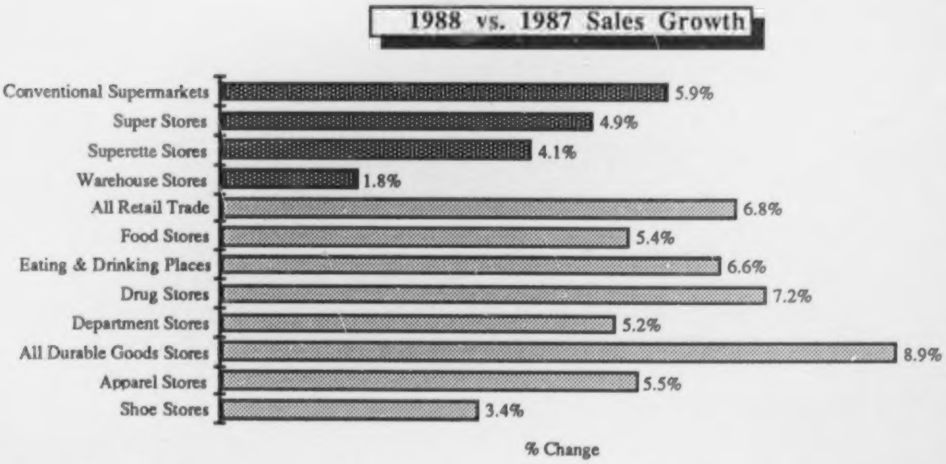
THE ECONOMY

After three consecutive years of steady, but moderate growth in the overall U.S. economy from 1985 to 1987, the pace of increase expanded somewhat in 1988. Gross National Product (GNP) after adjusting for inflation, increased by 3.8%, up from the 3.4% gain reported for 1987 and 2.8% growth of 1986.



Source: U.S. Department of Commerce

On the whole, total 1988 retail sales in the U.S. grew at a pace slightly below that of the overall economy when adjusted for inflation (6.8% growth in current dollars and 3.2% after accounting for inflation). However, this represented an increase over the rather flat 1.2% gain (after inflation) reported in 1987. The accompanying chart highlights the actual sales increases for selected retail stores based on U.S. Census Bureau data.



Source: Operating Results of Independent Supermarkets, 1988 and U.S. Bureau of Census

INDEPENDENT SUPERMARKET RETAILER SALES GROWTH BY STORE FORMAT AND SEGMENTS

The fastest growing store format in the industry based on FMI *Operating Results of Independent Supermarkets, 1988* was conventional stores achieving 5.9% sales increase over 1987, somewhat higher than the 5.4% increase reported for food stores in general. Both super stores and superettes achieved sales increases slightly below the national level achieving 4.9% and 4.1%, respectively. The slowest growth store format was warehouse stores reporting an increase of 1.8% over 1987.

1988 Median Sales Growth By Store Format

All Responding Stores	
Conventional Supermarkets	5.9%
Super Stores	4.9
Superette Stores	4.1
Warehouse Stores	1.8

CONVENTIONAL STORES

For the second consecutive year the Southeast region conventional supermarkets lead the way in sales increases over the prior year achieving 7.4% increase over 1987 levels. The slowest growth segment was the smaller stores (weekly sales less than $70,000), reporting a 1.9% increase over 1987 sales levels. Highlights of the remaining segments are outlined below as are the remaining store formats and segments.

1988 Median Sales Growth By Selected Breakdowns

Conventional Supermarkets

Weekly Sales Under $70,000	1.9%
Weekly Sales $70,000 to $125,000	6.2
Weekly Sales Over $125,000	6.1
Most Profitable*	6.1%
Least Profitable+	5.5
Less Than 10,000 Sq. Ft. of Selling Area	6.6%
10,000 to 12,499 Sq. Ft. of Selling Area	5.1
12,500 to 17,000 Sq. Ft. of Selling Area	6.0
Over 17,000 Sq. Ft. of Selling Area	6.1
Northeast	5.9%
Middle Atlantic	6.4
East North Central	7.1
West	2.4
Mid South	6.6
Southeast	7.4
Pacific	4.8

1988 Median Sales Growth By Selected Breakdowns

Super Stores

Weekly Sales Under $325,000	4.9%
Weekly Sales Over $325,000	3.1
Most Profitable*	4.8%
Least Profitable+	5.1

Superette Stores

Most Profitable*	7.6%
Least Profitable+	3.8

Warehouse Stores

Most Profitable*	6.5%
Least Profitable+	-0.3

*Most profitable in this report means the upper 50 percent of responding stores on net profit before tax as a percent of net sales.

+Least profitable in this report means the lower 50 percent of responding stores on net profit before tax as a percent of net sales.

INDEPENDENT SUPERMARKET PRODUCTIVITY PERFORMANCE

For independent supermarket retailers, the productivity of the store's various "inputs" is critical in determining the profitability of the operation. By measuring the productivity of different resources, independent store operators may gain valuable insights into both the strengths and weaknesses of current operations. Productivity measures may include: how effectively store space is being utilized (reflected in a sales per square foot measure); how many dollars are generated per labor hour; or how effective the existing merchandising programs are, (measured by inventory turnover).

This report provides a number of key productivity measures which can be used as benchmarks for analyzing your own store's efficiency relative to that of industry standards. In particular, measures are provided which evaluate the important areas of inventory, space and personnel productivity. The following table summarizes these productivity measures.

Inventory Productivity

For any given independent food retailer, inventory management is one of the most important operating components of the business. The vast majority of revenue is generated through inventory sales; and cost of goods sold is the single largest expense item. It stands to reason, therefore, that in order to be successful as an independent food retailer, one must stock an appropriate mix of products, develop effective purchasing and pricing policies, and develop effective display and promotional procedures.

Essentially, the most productive inventory management practices are those that effectively combine considerations of both gross profit percentage (i.e., the profitability component of inventory management), and inventory turnover (i.e., the item movement component of inventory management). In combination, these measures affect gross margin return on inventory (GMROI), which is the best overall measure of inventory productivity.

As the following chart illustrates, the typical conventional supermarket retailer had a gross profit of 22.1% with an inventory turnover of 18.8x and a GMROI of 536.2%. Super stores achieved the best GMROI (562.5%) due to both a strong gross margin (22.1%) and a superior inventory turnover (19.5x). Warehouse stores had the lowest GMROI at 252.8%.

Space Productivity

The primary measures of space productivity for food retailers are sales and gross profit dollars generated per square foot of selling area. Since many occupancy related expenses (such as rent, utilities, maintenance, etc.) are relatively fixed (or at least do not fluctuate greatly with sales volume), a key to greater profitability is to generate more sales and gross profit from the existing facility. In other words, once fixed costs are covered, every incremental dollar in sales and gross profit that is generated will yield a disproportionate increase in bottom line profits.

The typical super store retailer achieved the highest weekly sales per square foot of selling area in 1988 of $10.11. Warehouse stores reported the lowest weekly sales per square foot of selling area at $4.96. Super stores earned the highest gross margin per square foot of selling area at $2.39 while warehouse stores earned only $0.66 gross margin per square foot of selling area.

Personnel Productivity

Payroll expenses are typically the single largest operating expense for food retailers and therefore, it is critical to effectively manage this resource. Net sales per labor hour were highest for the typical warehouse operator respondent, reporting $103.30, while also reporting the lowest store labor expense at 7.3% of net sales. The highest labor costs as a percentage of sales was recorded by super stores at over 11% of sales.

Productivity

	--------Inventory Productivity--------			--------Space Productivity--------		--Personnel Productivity--	
	Gross Margin (%)	Inventory Turnover (x)	GMROI* (%)	Weekly Sales/Sq. Ft. Selling Area ($)	Weekly Gross Margin/Sq.Ft. Selling Area ($)	Net Sales per Labor Hour ($)	Store Labor Expense % of Sales (%)
Conventional Supermarkets	22.1	18.8	536.2	9.16	2.00	81.56	10.3
Super Stores	22.1	19.5	562.5	10.11	2.39	95.16	11.2
Superette Stores	22.2	10.2	307.3	5.37	1.26	65.45	9.6
Warehouse Stores	14.9	14.3	252.8	4.96	0.66	103.30	7.3

*Gross Margin Return on Inventory

STORE FORMAT HIGHLIGHTS

Four store formats are presented in this report, however, each respondent is an independent food retailer. The following chart highlights some of the typical differences such as volume size, space and profitability for each type of food retailer. The highlights include:

- Conventional stores had the highest profit before tax percent of sales at 1.6%, while superette stores earned only 0.8%.
- Typical weekly sales per store was highest for super stores earning over $350,000 and an average transaction size of nearly $20.00. On the other end of the continuum was superettes earning a typical weekly sales per store of over $25,000 with an average transaction size of over $10.00.
- The typical number of checkouts per store ranged from 3 for superettes to 13 for super stores.
- Approximately 75-80% of the total store area is devoted to selling space for the typical independent supermarket operator.

Statistical Highlights						
	Net Profit Margin Before Tax (%)	Average Weekly Sales/Store ($)	Average Transaction Size ($)	Total Store Area (Sq. Ft.)	Total Selling Area (Sq. Ft.)	Number of Checkouts (#)
Conventional Supermarkets	1.6	122,536	14.93	20,000	14,750	6
Super Stores	1.1	352,682	19.42	45,135	34,300	13
Superette Stores	0.8	25,288	10.20	5,000	3,948	3
Warehouse Stores	1.2	135,064	17.01	38,800	30,789	7

Source: Operating Results of Independent Supermarkets, 1988

How to Use This Report

The *FMI Operating Results of Independent Supermarkets, 1988* is designed to help independent supermarket retailers in evaluating their own performance relative to that of similar stores in order to identify improvement opportunities. The information in this report represents broad performance "yardsticks" against which performance can be measured.

Using this information, independent supermarket operators can compare their own figures with those of other independent food retailers operating a similar store format on a variety of "groupings." Spotting significant differences between your own store's performance and the industry composites can be the first step toward improving performance. It should be noted, however, that deviations from industry norms do not automatically call for some action.

In order to obtain maximum advantage from the information contained in this report while at the same time minimizing your analysis time and effort, we recommend you follow the step-by-step approach outlined below.

Step 1: Collect the Necessary Operating Data

The first step in using this report is to gather all your financial and operating results for your 1988 fiscal year. Most of the needed data can be obtained from your store's income statement and extracted from other sources, such as personnel files.

Step 2: Calculate the Ratios

The second step is to compute all of the various performance measures for your store that are included in this report using the data gathered in Step 1. **It is extremely important to calculate these ratios using the same formulas which were used to produce the ratios in this report.** These formulas, along with sample calculations of each measure, appear in the section of this report entitled, "Ratio Definitions and Sample Calculations," located in the Appendix.

FMI members which participated in the survey received, **absolutely free,** a confidential computer printout of their own store's financial ratios calculated and formatted in a manner that is consistent with the information in this report. Thus, for those stores, Step 2 has already been completed for them in an accurate, time saving manner. Stores that did not participate in the 1989 survey and should strongly consider doing so in the future.

Step 3: Compare the Results

Next, compare your store's performance with the survey results of other stores of your format in the industry. As you do so, several points should be recognized:

1. A deviation between your figures (for any performance measure) and numbers in the report is not necessarily good or bad. It merely indicates that additional analysis may be required. As a rule, the larger the difference, the greater the need for further investigation.

2. In situations where large deviations do exist, it may be helpful to calculate the same performance measure over the past several years to identify any trends that may have occurred.

3. The information in this report should be used as **guidelines** rather than absolute **standards**. Since independent supermarket operators differ as to their overall strategy, location, size, and other factors, any two outlets can be successful, yet have very different experiences relative to certain performance measures.

UNDERSTANDING THE DATA

In order to use the information in this report to maximum advantage, it is important to understand **what the numbers mean** and **how to interpret them.**

How the Tables are Organized

The tables in this report are organized to include a number of important financial ratios for each relevant "grouping" of similar independent supermarket operators. In particular, the four major category formats include conventional supermarkets, super stores, superette stores and warehouse stores.

Conventional Supermarket "groupings" include:

- **All Responding Conventional Stores**--Refers to the results of all conventional supermarket operator members responding to the survey. Although differences obviously exist among stores even of the same sales volume or geographic area, it is felt that there are enough similarities to make a total population of "all responding stores" analysis valuable.

- **By Geographical Area**--Many performance indicators will also vary depending upon the area of the country. Thus, the analysis also includes regional data, broken into geographic areas based on the following seven regions:

West
Arizona
Arkansas
Colorado
Idaho
Iowa
Kansas
Louisiana
Minnesota
Missouri
Montana
Nebraska
Nevada
New Mexico
North Dakota
Oklahoma
South Dakota
Texas
Utah
Wyoming
Alberta (Canada)
Manitoba (Canada)
Saskatchewan (Canada)

Northeast
Connecticut
Maine
Massachusetts
New Brunswick (Canada)
New Hampshire
Newfoundland (Canada)
Nova Scotia (Canada)
Price Edward Is. (Canada)
Rhode Island
Vermont

Pacific
Alaska
California
Hawaii
Oregon
Washington
British Columbia (Canada)

East North Central
Illinois
Indiana
Michigan
Ohio
Wisconsin
Ontario (Canada)

Mid South
Delaware
District of Columbia
Kentucky
Maryland
Virginia
West Virginia

Middle Atlantic
New Jersey
New York
Pennsylvania
Quebec (Canada)

Southeast
Alabama
Florida
Georgia
Mississippi
North Carolina
Puerto Rico
South Carolina
Tennessee

- **By Store's Weekly Sales Volume Size**--There are often substantial differences in the operation of smaller versus larger supermarkets. Thus, the survey data is separated into various groups by establishment size to make it more meaningful. Normally, any given store operator should be primarily concerned with the data in their own sales volume group.
    - Under $70,000
    - $70,000 to $125,000
    - Over $125,000

- **By Profit Performance**
    - **Least Profitable Stores**--refers to the lower 50 percent of responding stores on **net profit before tax as a percent of net sales.**
    - **Most Profitable Store**--refers to the upper 50 percent of responding stores on **net profit before tax as a percent of net sales.**

- **By Store Selling Area**--refers to that part of the store that is accessible to customers.
    - Under 10,000 square feet
    - 10,000-12,499 square feet
    - 12,500-16,999 square feet
    - 17,000 square feet and over

Super Stores "groupings" include:

- **All Responding Super Stores**

- **By Weekly Sales Volume**
    - $325,000 and under
    - Over $325,000

- **By Profit Performance**
    - Least profitable
    - Most profitable

Superette Stores "groupings" include:

- **All Responding Superette Stores**

- **By Profit Performance**
    - Least profitable
    - Most profitable

Warehouse Stores "groupings" include:

- **All Responding Stores**

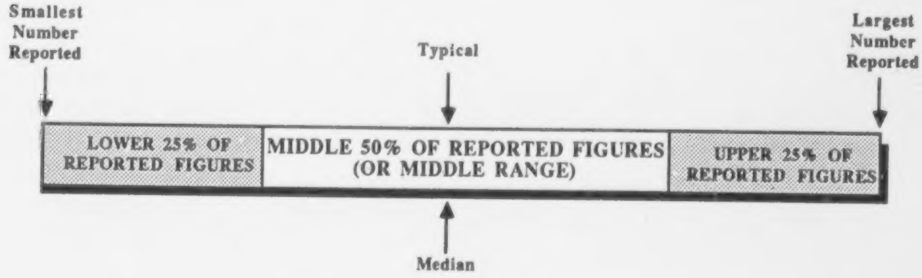
- **By Profit Performance**
    - Least profitable
    - Most profitable

You should determine which of the above data groups pertain to your operation so that you can compare your own store's results to those comparable to your own. **You should only be concerned with those sections of the report that are relevant to your store.**

Interpreting the Numbers

Most of the performance indicators included in this study are reported on the basis of medians rather than arithmetical averages or means. Unlike the mean, the median is not distorted by a few unusually high or low values that may exist in the sample due to special circumstances. The "median" figure represents the mid-point of the figures for a particular measure, with one-half of the responding stores reporting figures above it and one-half below. Each median was independently selected from its own array of figures. As a result, **component figures of an item may not necessarily total 100 percent and normal mathematical relationships do not always exist.**

Also included for most of the performance indicators is the "Middle Range." This represents the experience of the middle 50 percent of all stores in the data grouping when items are arranged numerically from lowest to highest. In other words, the upper and lower limits on the "Middle Range" are simply the upper and lower quartiles respectively for that ratio.


Smallest Number Reported
Typical
Largest Number Reported
LOWER 25% OF REPORTED FIGURES
MIDDLE 50% OF REPORTED FIGURES (OR MIDDLE RANGE)
UPPER 25% OF REPORTED FIGURES
Median

Further insights into how to use this report are included in the Appendix in the section entitled: "Ratio Definitions and Sample Calculations." An important point to keep in mind when using this report is that even relatively simple analysis of your own financials using the industry data for comparison can yield important insights into your business. You do not have to be a financial expert to benefit from this information.

USING RATIOS

While it is extremely important to analyze financial information in dollars and cents, it is essential that percentages and ratios be used if the data is to be compared to past performance or to industry standards. For example, it is necessary to know your annual payroll expense, but it is even more essential to compare this expenditure with the value it produces. A useful measure of **effectiveness** of payroll expense may be the sales volume generated by it. Therefore, a ratio such as payroll expense as a percent of sales can be useful in determining how efficiently your store uses its payroll dollars over time or compared with other independent supermarket operators in general.

In addition, just as dollar figures are not too meaningful by themselves, ratios should not be used in isolation. In combination they can give an extremely accurate overall picture of **financial performance** and **financial position**. Financial performance refers to how well a store performs over a period of time (generally one year) and financial position refers to financial strength at a given point in time.

KEY PRODUCTIVITY PERFORMANCE ANALYSIS

Productivity

Productivity is simply the **output produced** compared with **input expended.** As a rule, the more output produced per hour worked, employee, dollar investment or whatever the input, the more profitable an operation can be. Supermarket operators need to always strive to improve their productivity, especially in the principal areas of inventory, personnel and space. But in order to improve productivity, you first have to measure it.

Personnel productivity can be measured in numerous ways. The easiest and most commonly used methods are:

- **Net sales per labor hour**--good overall measure but subject to distortion by inflation.
- **Total gross margin per labor hour**--also a good overall measure, but also distorted by inflation.
- **Payroll as a percent of net sales (or gross margin)**--complements the previous measures by adding the dimension of compensation levels instead of just labor hours. **Not** distorted by inflation.

Inventory productivity is best measured by **inventory turnover**, defined as cost of goods sold divided by either ending or average inventory. This ratio shows how rapidly inventory is moving. Inventory turnover is expressed in "annual turns."

However, there is more than just a productivity dimension to inventory; there is a profitability aspect as well. Consider the following example:

- Store A has inventory turnover of 8 times and Store B achieves only 6 turns. Does Store A have higher inventory productivity than Store B? The answer is yes, but Store A may not have more inventory **profitability**. The reason is because inventory profitability depends on both turnover and gross profit.

A good measure of inventory profitability is **gross margin return on inventory** (GMROI). It is calculated by dividing gross margin by average inventory. GMROI will indicate whether an adequate gross profit is being earned compared to the investment in inventory required to generate those gross profit dollars. The ratio can be applied at the company level, but is probably most useful when applied to individual product categories (departmental statistics).

Space Productivity is usually measured by relating sales or gross margin per store or per square footage of selling space. By comparing your own operation versus other stores on this basis, you should be able to determine whether or not you are achieving the kind of volume necessary to support your space investment. However, if your market focus includes a significant amount of business with big quantity purchasers (such as institutions), then your space productivity measures are likely to be higher than those experienced by other stores.

IMPROVING PERFORMANCE BASED ON ANALYSIS OF THE KEY PRODUCTIVITY MEASURES

It is very important to remember that while the key performance measures are excellent "yardsticks" for gauging the success of your business, they must be **understood**. For instance, if the profitability of your store is far below the industry norm, it is important to know why. Is your business really suffering or is your profitability artificially low because you are paying yourself a high salary? Taking this into consideration, you are now prepared to examine some of the key performance measures and some possible actions that can be taken if you deviate significantly from the industry average. (The following are only guidelines for action and should not be considered specific recommendations.)

Productivity

Personnel Productivity

Too Low	Low personnel productivity during normal business conditions may indicate the business is too "people heavy." Consider decreasing staff size or strive to generate more volume from existing personnel.
Too High	No problem as a rule. May be artificially high if many functions are performed by outsiders not on the payroll.

Inventory Productivity

Too Low	Probably indicates you either have too many dollars tied up in inventory relative to the sales volume achieved or you are not earning enough gross margin dollars relative to sales. These problems can indicate potential merchandise buying or pricing inefficiencies or possibly competitive pressure.
Too High	A good situation in which to be. Indicates you are achieving a good combination of inventory productivity (i.e., inventory turnover) and inventory profitability (i.e., gross margin percent).

Space Productivity

Too Low	Indicates you either have excess space relative to the volume being generated, or that you simply need to generate more sales volume out of your existing space. This might be done through a greater emphasis on "add-on item" selling, or simply through a more effective job of turning customer traffic into sales.
Too High	Usually means you are doing a good job of "pushing products out the door," but may also reflect a somewhat different market focus or pricing strategy than other stores in the industry.

Conventional Supermarkets

Overview of Performance--Conventional Stores

SALES DATA

The typical independent conventional supermarket increased sales nearly 6.0% over 1987. Sales per hour of operation was nearly $1,300 with an average transaction size of $14.93. The typical store also had average weekly sales of over $122,000.

Average sales per week was highest for the Pacific region just under $200,000 while the Middle Atlantic region boasted sales per labor hour of over $100.00. The typical store reported sales per labor hour of $81.56.

As one might expect the smaller stores in terms of square feet reported lower average weekly sales than did their larger counterparts. In fact, as the size of the store increases in terms of square footage so did the average weekly sales and sales per hour of operation.

SPACE DATA

Among conventional supermarket operators responding to the FMI *Independent Operator Survey, 1989* (based on 1988 operations) the typical operator's store size was 20,000 square feet with nearly 75% of the store space dedicated to selling area.

Weekly sales per square foot of selling area was reported at over $9.00.

INVENTORY DATA

Gross margins are important for projecting sales for future periods, an independent conventional store retailer must target the gross margins for each department. Too high a gross margin means that prices will be too high; too low a gross margin means that operating expenses may not be covered. The typical store had a gross margin of 22.1% of sales, inventory turnover of 18.8 times and a gross margin return on inventory (GMROI) of 536.2%. The GMROI means that for every $1.00 invested in inventory, a return of 536.2% or, in other words, $5.36 was earned in gross margin dollars.

The tables on the following pages highlight selected key ratios and the five year comparisons for all conventional supermarket operators responding to the FMI *Operating Results of Independent Supermarkets* and the 1988 typical responses by selected data breaks of selected ratios.

All Responding Conventional Supermarket Operators
1984--1988

	1988	1987	1986	1985	1984
SALES DATA					
Average Weekly Sales per Store	$122,536	$90,422	$106,700	$87,293	$86,538
Sales per Labor Hour	81.56	$77.45	$80.25	$75.10	$75.32
Average Transaction Size	$14.93	$12.66	$14.19	$12.60	$12.02
SPACE DATA					
Total Store Area (square feet)	20,000	17,250	18,000	16,500	17,000
Selling Area (square feet)	14,750	13,000	14,000	13,000	12,500
Weekly Sales per Sq. ft. of Selling Area	$9.16	$7.12	$8.19	$7.37	$7.25
INVENTORY DATA					
Inventory Turnover (times)	18.8x	16.5x	17.7x	17.5x	17.1x
Gross Profit Margin	22.1%	21.5%	21.2%	21.9%	21.3%
GMROI	536.2%	478.3%	494.6%	492.9%	457.7%
PROFIT DATA					
Net Profit Margin Before Tax	1.6%	1.6%	1.3%	1.4%	1.7%
OPERATING EXPENSE DATA (as a % of sales)					
Total Operating Expense	20.8%	19.6%	19.7%	20.0%	19.2%
Store Labor Expense:					
Direct/Regular	8.8%	8.6%	8.4%	8.8%	8.6%
Fringe Benefits	1.6%	1.4%	1.4%	1.5%	1.4%

Source: Operating Results of Independent Supermarkets, 1988

1988 Conventional Supermarket Highlights

	Average Weekly Sales ($)	Average Transaction Size ($)	Sales Per Hour of Operation ($)	Sales Per Labor Hour ($)	Transactions Per Labor Hour (#)	Total Gross Margin (%)	Inventory Turnover (x)	GMROI* (%)
All Stores	122,536	14.93	1,279	81.56	5.3	22.1	18.8	536.2
Northeast	106,864	15.46	1,583	84.22	6.0	24.1	19.9	676.3
Middle Atlantic	164,847	15.64	1,560	100.53	5.2	22.2	21.1	586.6
East North Central	119,604	16.32	1,171	75.35	4.7	21.6	20.4	550.6
West	98,684	14.72	1,104	83.73	5.8	23.2	14.3	409.5
Mid South	119,085	15.36	1,185	74.52	4.9	19.1	18.4	439.9
Southeast	84,486	11.11	887	76.40	5.9	19.8	14.6	374.7
Pacific	196,642	14.55	2,005	89.06	5.9	25.1	18.8	677.6
Weekly Sales Less than $70,000	50,126	10.36	627	72.50	6.4	21.0	13.2	364.4
Weekly Sales $70,000-$125,000	98,454	13.55	1,015	73.16	5.6	21.0	16.8	444.0
Weekly Sales Over $125,000	203,151	16.99	2,027	88.47	5.0	23.4	21.3	652.7
Less than 10,000 Square Feet	61,311	11.98	744	74.11	6.3	22.1	17.6	504.5
10,000-12,499 Square Feet	94,625	13.16	1,093	80.85	5.7	21.8	16.6	446.9
12,500-16,999 Square Feet	122,066	14.71	1,247	73.01	5.4	20.8	18.1	481.7
17,000 Square Feet and Over	221,625	16.71	2,156	85.72	5.0	23.8	21.0	590.1

*Gross Margin Return on Inventory

Source: Operating Results of Independent Supermarkets, 1988

Conventional Supermarkets--Winners vs. Losers in 1988

One of the most beneficial tasks of studying industry performance statistics is to understand the operating characteristics of highly profitable stores. Within this section these are designated as the "Most Profitable Stores," which includes those stores that are among the upper 50 percent in terms of net profit before tax (located on the bottom of the income statement for each grouping) as a percent of net sales.

An *understanding* of why the *winners* were successful can provide important clues into how a sub-par business can be improved. However, food retailers are cautioned not to make indiscriminate changes in their operations to conform to the industry profit leaders. Rather, many formulas for success exist and are specific to each individual situation. However, focusing attention on the characteristics of the high profit stores may be useful for identifying which business activities are most worthy of managerial attention.

Compared with the least profitable group of stores, the 1987 high performance stores exhibited:

- Superior sales growth over 1987 levels (6.1% versus 5.5%) and a higher average transaction size ($15.60 versus $14.55).
- Tighter overall expense control (19.2% versus 22.0%).
- Significantly higher overall inventory turnover (20.8x versus 17.2x) and higher gross margin (22.7% versus 21.9%) resulted in the superior GMROI of over 600% versus 489%.
- More productive personnel with sales per labor hour nearly $12 higher for the most profitable group ($86.06 versus $74.48) resulting in lower total labor expenses as a percent of sales (9.9% versus 10.9%).

The most revealing difference between the most and least profitable stores exists in the income statement of the two groups. As shown below, clearly the high profit stores are much more successful in controlling expenses than their low profit counterparts, reporting lower costs relative to sales in every category. In total, the high profit group experienced total operating expenses of only 19.2% of sales versus 22.0% for the least profitable group. This differential coupled with higher gross margin levels experienced by the high profit stores, was instrumental in determining the success of the industry "winners."

1988 Summary Income Statement
(Numbers Expressed as a % of Total Sales)

	Most Profitable Stores	Least Profitable Stores
Sales:		
Grocery	72.5%	73.2%
Meat	19.6	20.0
Produce	8.1	7.0
Total Sales	100.0%	100.0%
Gross Margins:		
Grocery	20.3	20.7
Meat	25.8	25.2
Produce	31.7	29.1
Total Gross Margin	22.7	21.9
Operating Expenses:		
Store Labor:		
Regular	8.5	9.1
Benefits	1.5	1.7
Total Store Labor Expense	9.9	10.9
Advertising & Promotion	1.0	1.2
Occupancy (Excluding Utilities)	1.6	1.9
Utilities	1.0	1.2
Maintenance	0.5	0.6
Store Supplies	1.1	1.1
Interest	0.2	0.2
Other	2.5	3.6
Total Operating Expenses	19.2	22.0
Profit Before Tax	3.4	0.6

Source: Operating Results of Independent Supermarkets, 1988

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1988

CONVENTIONAL SUPERMARKETS - - ALL STORES

	# STORES	TYPICAL	MIDDLE RANGE
SALES DATA			
Percent Change from Previous Year	124	5.9%	2.5 - 10.7%
Average Transaction Size	127	$14.93	$11.76 - 18.00
Store Sales per Hour of Operation	136	$1,279	$910 - 2,025
Distribution of Sales:			
Grocery	133	56.2%	47.7 - 63.7%
Meat	133	16.4%	14.0 - 18.5%
Produce	133	8.0%	6.4 - 8.8%
General Merchandise/HaBA	133	2.4%	0.0 - 4.2%
Beer/Wine	133	1.3%	0.0 - 1.7%
Service Deli	133	3.7%	1.7 - 5.2%
Scratch/ Bake-Off Bakery	133	1.5%	0.0 - 2.7%
Frozen Food	133	3.3%	0.0 - 6.1%
Dairy	133	5.2%	0.0 - 9.5%
Other	133	2.0%	0.0 - 2.5%
Total	133	100.0%	100.0 - 100.0%
INCOME STATEMENT DATA (As a % of Sales)			
Sales:			
Grocery	133	72.0%	70.0 - 75.2%
Meat	133	20.1%	17.1 - 22.1%
Produce	133	8.0%	6.4 - 8.8%
Total Sales	133	100.0%	100.0 - 100.0%
Gross Margins:			
Grocery	133	20.4%	17.2 - 22.5%
Meat	133	25.1%	22.0 - 27.7%
Produce	127	30.1%	26.9 - 32.5%
Total Gross Margin	131	22.1%	19.8 - 24.2%
Operating Expenses:			
Store Labor:			
Regular	130	8.8%	7.6 - 10.1%
Benefits	130	1.6%	0.9 - 2.4%
Total Store Labor Expense	130	10.3%	8.6 - 12.8%
Advertising & Promotion	130	1.1%	0.8 - 1.6%
Occupancy (Excluding Utilities)	130	1.7%	1.1 - 2.5%
Utilities	130	1.1%	0.9 - 1.4%
Maintenance	130	0.6%	0.4 - 0.8%
Store Supplies	130	1.1%	0.9 - 1.3%
Interest	130	0.2%	0.1 - 0.6%
Other	130	3.3%	1.8 - 4.6%
Total Operating Expenses	130	20.8%	18.4 - 23.2%
Profit Before Tax	130	1.6%	0.6 - 3.3%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1988

CONVENTIONAL SUPERMARKETS - - ALL STORES

	# STORES	TYPICAL	MIDDLE RANGE
PRODUCTIVITY DATA			
Personnel Productivity			
Sales per Labor Hour	118	$81.56	$69.54 - 92.43
Gross Margin per Labor Hour	115	$17.53	$14.49 - 21.64
Profit Before Tax per Labor Hour	115	$1.13	$0.38 - 2.33
Sales per Labor Dollar	131	$11.38	$9.87 - 13.18
Gross Margin per Labor Dollar	130	$2.50	$2.20 - 2.84
Transactions per Labor Hour	118	5.3	4.6 - 6.4
Payroll per Labor Hour	115	$6.93	$5.55 - 8.57
Benefits per Labor Hour	112	$1.23	$0.75 - 1.72
Payroll to Total Expenses	131	44.0%	38.5 - 50.6%
Benefits to Total Expenses	128	8.1%	5.0 - 10.5%
Payroll per Hour of Operation	130	$113.09	$77.60 - 192.20
Space Productivity			
Total Store Area:			
Average Square Footage	144	20,000	14,375 - 27,496
Weekly Sales per Square Foot	140	$6.71	$5.00 - 8.69
Weekly Gross Margin per Square Foot	132	$1.46	$1.05 - 2.01
Weekly Profit Before Tax per Sq Ft	131	$0.11	$0.04 - 0.24
Selling Area:			
Average Square Footage	144	14,750	10,000 - 19,525
Weekly Sales per Square Foot	140	$9.16	$6.96 - 12.38
Weekly Gross Margin per Square Foot	132	$2.00	$1.49 - 2.96
Weekly Profit Before Tax per Sq Ft	131	$0.15	$0.05 - 0.34
Average Weekly Sales per Store	140	$122,536	$84,912 - 202,866
Number of Checkouts	138	6	5 - 8
Weekly Sales per Checkout	134	$19,925	$15,344 - 24,708
Weekly Transactions per Checkout	126	1,375	1,127 - 1,676
Selling Square Footage per Checkout	134	2,200	1,916 - 2,571
Occupancy Cost (incl utilities) per Sq Ft	131	$9.72	$6.57 - 13.68
Occupancy Cost (incl util) to Total Expense	131	14.3%	10.7 - 17.9%
Transactions per Square Foot of Selling Area	127	0.63	0.52 - 0.78
Transactions per 1000 Selling Sq Ft per Hour	126	6.62	5.16 - 8.00
Percentage of Selling Area to Total Area	140	74.5%	67.2 - 79.9%
Inventory Dollars per Sq Ft of Selling Area	125	$20.04	$16.66 - 24.99

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1988

CONVENTIONAL SUPERMARKETS - - ALL STORES

	# STORES	TYPICAL	MIDDLE RANGE	
Inventory Productivity				
Gross Margin:				
Grocery	127	19.2%	16.2 -	21.2%
Meat	127	22.4%	20.0 -	24.2%
Produce	127	30.1%	26.9 -	32.5%
General Merchandise/HaBA	59	27.4%	22.5 -	29.9%
Beer/Wine	41	18.7%	15.0 -	22.0%
Service Deli	98	39.0%	34.0 -	43.8%
Scratch/Bake-Off Bakery	68	43.9%	33.8 -	56.4%
Frozen Food	66	24.3%	22.6 -	27.1%
Dairy	67	20.0%	18.0 -	21.3%
Other	64	25.8%	16.3 -	45.6%
Total Gross Margin	131	22.1%	19.8 -	24.2%
Annual Inventory Turnover:				
Grocery	118	16.1X	11.9 -	19.9X
Meat	118	47.8X	35.6 -	61.2X
Produce	118	60.0X	43.3 -	74.6X
General Merchandise/HaBA	52	6.0X	5.1 -	8.5X
Beer/Wine	38	11.4X	9.5 -	17.0X
Service Deli	87	25.4X	20.5 -	29.9X
Scratch/Bake-Off Bakery	64	22.1X	16.3 -	35.3X
Frozen Food	57	18.2X	12.5 -	23.0X
Dairy	58	43.3X	31.7 -	51.1X
Other	53	13.5X	6.9 -	22.7X
Total Inventory Turnover	125	18.8X	15.0 -	22.1X
Gross Margin Return on Inventory (GMROI):				
Grocery	118	374.8%	276.4 -	472.0%
Meat	118	1,438.7%	1,003.5 -	1,733.9%
Produce	118	2,446.9%	1,871.7 -	3,275.2%
General Merchandise/HaBA	52	229.6%	159.7 -	295.2%
Beer/Wine	38	287.8%	206.0 -	373.3%
Service Deli	87	1,622.6%	1,253.4 -	2,205.2%
Scratch/Bake-Off Bakery	64	2,160.1%	1,444.8 -	2,862.3%
Frozen Food	57	540.1%	429.4 -	808.8%
Dairy	58	1,003.1%	765.3 -	1,319.7%
Other	53	547.6%	225.1 -	1,436.4%
Total GMROI	125	536.2%	403.8 -	676.3%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1988

CONVENTIONAL SUPERMARKETS - - ALL STORES

SALES, MARGINS & TURNOVER BY MAJOR DEPARTMENT

	# STORES	TYPICAL	MIDDLE RANGE
Distribution of Sales:			
Grocery	133	72.0%	70.0 - 75.2%
Meat	133	20.1%	17.1 - 22.1%
Produce	133	8.0%	6.4 - 8.8%
Total Sales	133	100.0%	100.0 - 100.0%
Gross Margin Percent:			
Grocery	133	20.4%	17.2 - 22.5%
Meat	133	25.1%	22.0 - 27.7%
Produce	127	30.1%	26.9 - 32.5%
Total Gross Margin	131	22.1%	19.8 - 24.2%
Annual Inventory Turnover:			
Grocery	121	16.5X	12.2 - 18.9X
Meat	121	41.1X	32.1 - 53.8X
Produce	118	60.0X	43.3 - 74.6X
Total Inventory Turnover	125	18.8X	15.0 - 22.1X
Gross Margin Return on Inventory (GMROI):			
Grocery	121	378.0%	298.8 - 495.1%
Meat	121	1,469.9%	1,096.3 - 1,765.2%
Produce	118	2,446.9%	1,871.7 - 3,275.2%
Total GMROI	125	536.2%	403.8 - 676.3%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1988

CONVENTIONAL SUPERMARKETS - - NORTHEAST REGION

	# STORES	TYPICAL	MIDDLE RANGE
SALES DATA			
Percent Change from Previous Year	9	5.9%	1.2 - 9.9%
Average Transaction Size	9	$15.46	$9.61 - 18.39
Store Sales per Hour of Operation	11	$1,583	$1,074 - 2,224
Distribution of Sales:			
Grocery	11	55.9%	45.6 - 63.2%
Meat	11	15.9%	13.1 - 16.8%
Produce	11	9.1%	8.2 - 9.6%
General Merchandise/HaBA	11	1.7%	0.0 - 2.4%
Beer/Wine	11	1.0%	0.0 - 1.7%
Service Deli	11	5.3%	4.5 - 6.5%
Scratch/ Bake-Off Bakery	11	1.1%	0.0 - 2.3%
Frozen Food	11	3.4%	0.0 - 5.6%
Dairy	11	3.8%	0.0 - 8.4%
Other	11	2.8%	0.0 - 4.7%
Total	11	100.0%	100.0 - 100.0%
INCOME STATEMENT DATA (As a % of Sales)			
Sales:			
Grocery	11	69.7%	69.6 - 71.7%
Meat	11	21.2%	17.9 - 22.0%
Produce	11	9.1%	8.2 - 9.6%
Total Sales	11	100.0%	100.0 - 100.0%
Gross Margins:			
Grocery	11	21.2%	20.2 - 22.1%
Meat	11	26.9%	25.8 - 29.1%
Produce	11	32.7%	31.3 - 37.5%
Total Gross Margin	11	24.1%	23.0 - 24.7%
Operating Expenses:			
Store Labor:			
Regular	11	9.3%	8.7 - 9.9%
Benefits	11	1.6%	1.0 - 2.4%
Total Store Labor Expense	11	11.0%	9.4 - 12.1%
Advertising & Promotion	11	1.0%	0.7 - 1.3%
Occupancy (Excluding Utilities)	11	1.2%	0.6 - 1.9%
Utilities	11	1.2%	1.0 - 1.4%
Maintenance	11	0.5%	0.4 - 1.1%
Store Supplies	11	1.2%	1.0 - 1.3%
Interest	11	0.1%	0.0 - 0.4%
Other	11	3.8%	2.4 - 6.0%
Total Operating Expenses	11	21.5%	19.1 - 23.2%
Profit Before Tax	11	2.7%	0.6 - 3.5%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1988

CONVENTIONAL SUPERMARKETS - - NORTHEAST REGION

	# STORES	TYPICAL	MIDDLE RANGE
PRODUCTIVITY DATA			
Personnel Productivity			
Sales per Labor Hour	9	$84.22	$74.11 - 93.74
Gross Margin per Labor Hour	9	$19.26	$17.01 - 20.46
Profit Before Tax per Labor Hour	9	$2.24	$0.51 - 3.41
Sales per Labor Dollar	11	$10.76	$10.08 - 11.57
Gross Margin per Labor Dollar	11	$2.62	$2.17 - 2.80
Transactions per Labor Hour	9	6.0	5.0 - 6.7
Payroll per Labor Hour	9	$7.75	$7.30 - 8.49
Benefits per Labor Hour	8	$1.21	$0.77 - 1.68
Payroll to Total Expenses	11	44.8%	40.2 - 49.8%
Benefits to Total Expenses	10	8.6%	5.4 - 10.4%
Payroll per Hour of Operation	11	$147.20	$100.87 - 203.24
Space Productivity			
Total Store Area:			
Average Square Footage	11	16,000	9,000 - 22,750
Weekly Sales per Square Foot	11	$7.53	$6.73 - 8.38
Weekly Gross Margin per Square Foot	11	$1.72	$1.54 - 1.92
Weekly Profit Before Tax per Sq Ft	11	$0.23	$0.05 - 0.26
Selling Area:			
Average Square Footage	11	12,000	8,250 - 15,625
Weekly Sales per Square Foot	11	$10.39	$8.98 - 12.47
Weekly Gross Margin per Square Foot	11	$2.41	$1.95 - 3.07
Weekly Profit Before Tax per Sq Ft	11	$0.25	$0.05 - 0.39
Average Weekly Sales per Store	11	$106,864	$82,704 - 171,597
Number of Checkouts	11	6	5 - 7
Weekly Sales per Checkout	11	$20,787	$15,154 - 24,514
Weekly Transactions per Checkout	9	1,350	1,302 - 1,600
Selling Square Footage per Checkout	11	2,000	1,850 - 2,343
Occupancy Cost (incl utilities) per Sq Ft	11	$8.81	$7.55 - 11.68
Occupancy Cost (incl util) to Total Expense	11	11.3%	10.0 - 13.7%
Transactions per Square Foot of Selling Area	9	0.65	0.63 - 0.79
Transactions per 1000 Selling Sq Ft per Hour	9	9.40	7.33 - 11.50
Percentage of Selling Area to Total Area	11	78.3%	65.2 - 86.9%
Inventory Dollars per Sq Ft of Selling Area	9	$24.06	$19.48 - 24.99

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1988

CONVENTIONAL SUPERMARKETS - - NORTHEAST REGION

	# STORES	TYPICAL	MIDDLE RANGE
Inventory Productivity			
Gross Margin:			
Grocery	11	21.4%	19.8 - 23.9%
Meat	11	22.3%	21.1 - 24.0%
Produce	11	32.7%	31.3 - 37.5%
General Merchandise/HaBA	0	INSUFFICIENT DATA	
Beer/Wine	0	INSUFFICIENT DATA	
Service Deli	11	42.0%	31.9 - 44.7%
Scratch/Bake-Off Bakery	0	INSUFFICIENT DATA	
Frozen Food	0	INSUFFICIENT DATA	
Dairy	0	INSUFFICIENT DATA	
Other	6	22.9%	
Total Gross Margin	11	24.1%	23.0 - 24.7%
Annual Inventory Turnover:			
Grocery	9	13.1X	11.7 - 17.5X
Meat	9	47.6X	34.8 - 64.2X
Produce	9	72.5X	63.0 - 86.4X
General Merchandise/HaBA	0	INSUFFICIENT DATA	
Beer/Wine	0	INSUFFICIENT DATA	
Service Deli	9	23.5X	18.9 - 29.2X
Scratch/Bake-Off Bakery	0	INSUFFICIENT DATA	
Frozen Food	0	INSUFFICIENT DATA	
Dairy	0	INSUFFICIENT DATA	
Other	6	27.9X	
Total Inventory Turnover	9	19.9X	17.3 - 22.5X
Gross Margin Return on Inventory (GMROI):			
Grocery	9	461.3%	254.2 - 472.1%
Meat	9	1,465.7%	1,068.2 - 1,860.1%
Produce	9	3,520.1%	2,820.5 - 3,905.4%
General Merchandise/HaBA	0	INSUFFICIENT DATA	
Beer/Wine	0	INSUFFICIENT DATA	
Service Deli	9	1,698.5%	1,266.4 - 1,835.8%
Scratch/Bake-Off Bakery	0	INSUFFICIENT DATA	
Frozen Food	0	INSUFFICIENT DATA	
Dairy	0	INSUFFICIENT DATA	
Other	6	1,323.8%	
Total GMROI	9	676.3%	427.9 - 733.4%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1988

CONVENTIONAL SUPERMARKETS - - NORTHEAST REGION

SALES, MARGINS & TURNOVER BY MAJOR DEPARTMENT

	# STORES	TYPICAL	MIDDLE RANGE
Distribution of Sales:			
Grocery	11	69.7%	69.6 - 71.7%
Meat	11	21.2%	17.9 - 22.0%
Produce	11	9.1%	8.2 - 9.6%
Total Sales	11	100.0%	100.0 - 100.0%
Gross Margin Percent:			
Grocery	11	21.2%	20.2 - 22.1%
Meat	11	26.9%	25.8 - 29.1%
Produce	11	32.7%	31.3 - 37.5%
Total Gross Margin	11	24.1%	23.0 - 24.7%
Annual Inventory Turnover:			
Grocery	9	16.1X	13.8 - 18.2X
Meat	9	38.5X	30.6 - 49.9X
Produce	9	72.5X	63.0 - 86.4X
Total Inventory Turnover	9	19.9X	17.3 - 22.5X
Gross Margin Return on Inventory (GMROI):			
Grocery	9	461.3%	304.4 - 530.1%
Meat	9	1,501.0%	1,269.5 - 1,843.0%
Produce	9	3,520.1%	2,820.5 - 3,905.4%
Total GMROI	9	676.3%	427.9 - 733.4%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1988

CONVENTIONAL SUPERMARKETS - - MIDDLE ATLANTIC REGION

	# STORES	TYPICAL	MIDDLE RANGE
SALES DATA			
Percent Change from Previous Year	17	6.4%	5.3 - 13.3%
Average Transaction Size	20	$15.64	$13.98 - 20.33
Store Sales per Hour of Operation	21	$1,560	$1,162 - 2,331
Distribution of Sales:			
Grocery	21	59.5%	47.5 - 71.0%
Meat	21	15.4%	12.9 - 16.7%
Produce	21	7.9%	6.2 - 8.6%
General Merchandise/HaBA	21	1.4%	0.0 - 1.7%
Beer/Wine	21	0.3%	0.0 - 0.0%
Service Deli	21	4.9%	4.0 - 6.3%
Scratch/ Bake-Off Bakery	21	1.5%	0.0 - 2.6%
Frozen Food	21	3.7%	0.0 - 6.8%
Dairy	21	4.9%	0.0 - 9.9%
Other	21	0.5%	0.0 - 0.7%
Total	21	100.0%	100.0 - 100.0%
INCOME STATEMENT DATA (As a % of Sales)			
Sales:			
Grocery	21	71.8%	69.5 - 74.9%
Meat	21	20.3%	16.9 - 21.6%
Produce	21	7.9%	6.2 - 8.6%
Total Sales	21	100.0%	100.0 - 100.0%
Gross Margins:			
Grocery	21	20.4%	19.7 - 21.9%
Meat	21	26.2%	23.1 - 29.7%
Produce	21	31.5%	26.5 - 34.4%
Total Gross Margin	21	22.2%	21.7 - 23.8%
Operating Expenses:			
Store Labor:			
Regular	21	8.4%	7.8 - 9.7%
Benefits	21	1.7%	1.0 - 2.7%
Total Store Labor Expense	21	10.2%	8.9 - 11.7%
Advertising & Promotion	21	1.6%	1.3 - 2.3%
Occupancy (Excluding Utilities)	21	1.5%	1.1 - 2.4%
Utilities	21	1.0%	0.9 - 1.3%
Maintenance	21	0.7%	0.5 - 1.0%
Store Supplies	21	1.1%	1.0 - 1.2%
Interest	21	0.3%	0.1 - 0.8%
Other	21	3.4%	1.2 - 4.4%
Total Operating Expenses	21	20.8%	18.7 - 21.7%
Profit Before Tax	21	2.0%	1.2 - 3.7%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1988

CONVENTIONAL SUPERMARKETS - - MIDDLE ATLANTIC REGION

	# STORES	TYPICAL	MIDDLE RANGE
PRODUCTIVITY DATA			
Personnel Productivity			
Sales per Labor Hour	18	$100.53	$72.86 - 107.33
Gross Margin per Labor Hour	18	$22.42	$15.53 - 25.84
Profit Before Tax per Labor Hour	18	$1.59	$0.78 - 3.56
Sales per Labor Dollar	21	$11.86	$10.33 - 12.86
Gross Margin per Labor Dollar	21	$2.67	$2.54 - 2.88
Transactions per Labor Hour	18	5.2	4.8 - 6.0
Payroll per Labor Hour	18	$7.90	$5.68 - 9.16
Benefits per Labor Hour	16	$1.59	$0.78 - 2.88
Payroll to Total Expenses	21	41.4%	37.3 - 47.1%
Benefits to Total Expenses	19	10.8%	6.5 - 13.5%
Payroll per Hour of Operation	21	$129.49	$94.74 - 220.72
Space Productivity			
Total Store Area:			
Average Square Footage	22	17,400	13,250 - 24,875
Weekly Sales per Square Foot	21	$7.47	$6.33 - 11.46
Weekly Gross Margin per Square Foot	21	$1.77	$1.38 - 2.46
Weekly Profit Before Tax per Sq Ft	21	$0.18	$0.06 - 0.40
Selling Area:			
Average Square Footage	22	14,000	9,625 - 18,625
Weekly Sales per Square Foot	21	$11.54	$8.73 - 14.83
Weekly Gross Margin per Square Foot	21	$2.62	$2.00 - 3.55
Weekly Profit Before Tax per Sq Ft	21	$0.26	$0.08 - 0.59
Average Weekly Sales per Store	21	$164,847	$97,603 - 227,960
Number of Checkouts	21	7	5 - 8
Weekly Sales per Checkout	20	$23,313	$19,319 - 26,648
Weekly Transactions per Checkout	20	1,506	1,187 - 1,607
Selling Square Footage per Checkout	20	2,000	1,813 - 2,213
Occupancy Cost (incl utilities) per Sq Ft	21	$11.60	$7.68 - 16.91
Occupancy Cost (incl util) to Total Expense	21	13.9%	10.8 - 17.7%
Transactions per Square Foot of Selling Area	20	0.69	0.57 - 0.82
Transactions per 1000 Selling Sq Ft per Hour	20	7.64	6.40 - 8.09
Percentage of Selling Area to Total Area	21	71.4%	66.7 - 76.9%
Inventory Dollars per Sq Ft of Selling Area	18	$23.43	$20.00 - 25.02

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1988

CONVENTIONAL SUPERMARKETS - - MIDDLE ATLANTIC REGION

	# STORES	TYPICAL	MIDDLE RANGE
Inventory Productivity			
Gross Margin:			
Grocery	21	19.2%	17.5 - 20.9%
Meat	21	22.4%	19.9 - 24.2%
Produce	21	31.5%	26.5 - 34.4%
General Merchandise/HaBA	8	21.5%	18.2 - 27.0%
Beer/Wine	0	INSUFFICIENT DATA	
Service Deli	20	40.0%	37.1 - 43.2%
Scratch/Bake-Off Bakery	13	45.7%	37.8 - 50.1%
Frozen Food	12	28.9%	26.6 - 29.9%
Dairy	10	20.8%	19.4 - 24.0%
Other	9	25.8%	23.4 - 33.1%
Total Gross Margin	21	22.2%	21.7 - 23.8%
Annual Inventory Turnover:			
Grocery	18	17.2X	15.3 - 19.7X
Meat	18	52.2X	36.2 - 64.3X
Produce	18	59.8X	40.3 - 73.3X
General Merchandise/HaBA	7	5.9X	4.6 - 9.4X
Beer/Wine	0	INSUFFICIENT DATA	
Service Deli	17	27.1X	24.5 - 30.0X
Scratch/Bake-Off Bakery	12	24.5X	19.8 - 37.8X
Frozen Food	9	17.3X	12.5 - 19.8X
Dairy	8	35.3X	31.2 - 38.3X
Other	7	7.8X	5.3 - 26.0X
Total Inventory Turnover	18	21.1X	19.0 - 23.4X
Gross Margin Return on Inventory (GMROI):			
Grocery	18	407.9%	305.7 - 469.4%
Meat	18	1,441.6%	1,011.4 - 2,001.1%
Produce	18	3,021.1%	2,082.3 - 3,758.6%
General Merchandise/HaBA	7	229.5%	123.3 - 322.2%
Beer/Wine	0	INSUFFICIENT DATA	
Service Deli	17	1,661.2%	1,567.3 - 2,234.6%
Scratch/Bake-Off Bakery	12	2,091.5%	1,782.7 - 3,279.5%
Frozen Food	9	645.9%	446.0 - 884.3%
Dairy	8	927.4%	835.2 - 1,001.5%
Other	7	241.0%	145.9 - 1,417.0%
Total GMROI	18	586.6%	533.9 - 718.8%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1988

CONVENTIONAL SUPERMARKETS - - MIDDLE ATLANTIC REGION

	# STORES	TYPICAL	MIDDLE RANGE
SALES, MARGINS & TURNOVER BY MAJOR DEPARTMENT			
Distribution of Sales:			
Grocery	21	71.8%	69.5 - 74.9%
Meat	21	20.3%	16.9 - 21.6%
Produce	21	7.9%	6.2 - 8.6%
Total Sales	21	100.0%	100.0 - 100.0%
Gross Margin Percent:			
Grocery	21	20.4%	19.7 - 21.9%
Meat	21	26.2%	23.1 - 29.7%
Produce	21	31.5%	26.5 - 34.4%
Total Gross Margin	21	22.2%	21.7 - 23.8%
Annual Inventory Turnover:			
Grocery	18	17.8X	15.7 - 19.9X
Meat	18	43.7X	34.8 - 50.6X
Produce	18	59.8X	40.3 - 73.3X
Total Inventory Turnover	18	21.1X	19.0 - 23.4X
Gross Margin Return on Inventory (GMROI):			
Grocery	18	428.7%	373.6 - 532.4%
Meat	18	1,532.5%	1,247.3 - 1,818.5%
Produce	18	3,021.1%	2,082.3 - 3,758.6%
Total GMROI	18	586.6%	533.9 - 718.8%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1988

CONVENTIONAL SUPERMARKETS - - EAST NORTH CENTRAL REGION

SALES DATA

	# STORES	TYPICAL	MIDDLE RANGE
Percent Change from Previous Year	32	7.1%	2.5 - 10.7%
Average Transaction Size	33	$16.32	$11.89 - 17.92
Store Sales per Hour of Operation	34	$1,171	$921 - 1,964
Distribution of Sales:			
Grocery	32	53.8%	46.6 - 62.4%
Meat	32	15.1%	13.3 - 17.6%
Produce	32	7.4%	5.8 - 8.0%
General Merchandise/HaBA	32	2.7%	0.0 - 5.4%
Beer/Wine	32	1.6%	0.0 - 2.2%
Service Deli	32	3.5%	2.1 - 4.8%
Scratch/ Bake-Off Bakery	32	2.2%	0.9 - 3.3%
Frozen Food	32	4.5%	0.0 - 7.3%
Dairy	32	6.7%	0.0 - 9.4%
Other	32	2.5%	0.0 - 4.2%
Total	32	100.0%	100.0 - 100.0%

INCOME STATEMENT DATA (As a % of Sales)

	# STORES	TYPICAL	MIDDLE RANGE
Sales:			
Grocery	32	74.0%	71.9 - 76.4%
Meat	32	18.6%	16.3 - 21.1%
Produce	32	7.4%	5.8 - 8.0%
Total Sales	32	100.0%	100.0 - 100.0%
Gross Margins:			
Grocery	32	20.6%	17.1 - 22.8%
Meat	32	23.1%	20.1 - 26.7%
Produce	30	28.9%	26.1 - 31.4%
Total Gross Margin	30	21.6%	19.7 - 23.9%
Operating Expenses:			
Store Labor:			
Regular	30	8.5%	7.6 - 9.5%
Benefits	30	1.5%	0.8 - 2.0%
Total Store Labor Expense	30	10.0%	8.7 - 11.3%
Advertising & Promotion	30	1.3%	1.0 - 1.7%
Occupancy (Excluding Utilities)	30	1.7%	1.2 - 1.9%
Utilities	30	1.1%	1.0 - 1.5%
Maintenance	30	0.6%	0.5 - 0.7%
Store Supplies	30	1.3%	1.1 - 1.5%
Interest	30	0.3%	0.0 - 0.7%
Other	30	4.2%	2.0 - 4.8%
Total Operating Expenses	30	20.5%	18.8 - 22.6%
Profit Before Tax	30	1.6%	0.5 - 2.4%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1988

CONVENTIONAL SUPERMARKETS - - EAST NORTH CENTRAL REGION

	# STORES	TYPICAL	MIDDLE RANGE
PRODUCTIVITY DATA			
Personnel Productivity			
Sales per Labor Hour	30	$75.34	$69.00 - 84.15
Gross Margin per Labor Hour	28	$16.62	$14.47 - 18.93
Profit Before Tax per Labor Hour	28	$1.17	$0.08 - 2.16
Sales per Labor Dollar	31	$11.66	$10.27 - 13.23
Gross Margin per Labor Dollar	31	$2.56	$2.11 - 2.89
Transactions per Labor Hour	30	4.7	4.0 - 6.5
Payroll per Labor Hour	28	$6.53	$5.64 - 7.29
Benefits per Labor Hour	28	$1.16	$0.73 - 1.46
Payroll to Total Expenses	31	42.7%	35.9 - 50.2%
Benefits to Total Expenses	31	7.7%	4.8 - 9.6%
Payroll per Hour of Operation	30	$108.96	$74.72 - 156.27
Space Productivity			
Total Store Area:			
Average Square Footage	36	20,500	15,000 - 31,125
Weekly Sales per Square Foot	36	$6.43	$4.92 - 8.43
Weekly Gross Margin per Square Foot	31	$1.25	$1.05 - 1.85
Weekly Profit Before Tax per Sq Ft	31	$0.10	$0.02 - 0.20
Selling Area:			
Average Square Footage	36	16,000	11,375 - 24,050
Weekly Sales per Square Foot	36	$8.62	$6.99 - 11.03
Weekly Gross Margin per Square Foot	31	$1.67	$1.50 - 2.28
Weekly Profit Before Tax per Sq Ft	31	$0.12	$0.02 - 0.30
Average Weekly Sales per Store	36	$119,604	$90,015 - 204,405
Number of Checkouts	35	6	5 - 9
Weekly Sales per Checkout	35	$21,000	$18,283 - 23,425
Weekly Transactions per Checkout	33	1,329	1,152 - 1,661
Selling Square Footage per Checkout	35	2,571	2,046 - 2,894
Occupancy Cost (incl utilities) per Sq Ft	31	$8.97	$6.85 - 13.01
Occupancy Cost (incl util) to Total Expense	31	13.5%	10.7 - 16.8%
Transactions per Square Foot of Selling Area	33	0.59	0.47 - 0.70
Transactions per 1000 Selling Sq Ft per Hour	32	5.40	4.19 - 7.17
Percentage of Selling Area to Total Area	36	75.0%	69.6 - 80.0%
Inventory Dollars per Sq Ft of Selling Area	31	$18.28	$15.99 - 20.49

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1988

CONVENTIONAL SUPERMARKETS - - EAST NORTH CENTRAL REGION

	# STORES	TYPICAL	MIDDLE RANGE
Inventory Productivity			
Gross Margin:			
Grocery	30	19.8%	16.5 - 21.1%
Meat	30	20.2%	18.7 - 22.9%
Produce	30	28.9%	26.1 - 31.4%
General Merchandise/HaBA	13	25.8%	21.1 - 28.4%
Beer/Wine	17	21.4%	15.0 - 23.4%
Service Deli	23	35.2%	32.2 - 42.0%
Scratch/Bake-Off Bakery	20	48.8%	39.0 - 62.7%
Frozen Food	18	24.2%	22.3 - 26.7%
Dairy	20	18.4%	16.8 - 20.8%
Other	19	23.0%	15.3 - 32.0%
Total Gross Margin	30	21.6%	19.7 - 23.9%
Annual Inventory Turnover:			
Grocery	30	17.8X	12.1 - 20.6X
Meat	30	45.5X	37.4 - 52.2X
Produce	30	59.6X	45.6 - 68.0X
General Merchandise/HaBA	11	5.9X	5.4 - 7.3X
Beer/Wine	15	10.7X	9.8 - 13.1X
Service Deli	22	28.1X	23.8 - 33.3X
Scratch/Bake-Off Bakery	20	20.6X	16.5 - 28.3X
Frozen Food	16	19.8X	11.5 - 24.0X
Dairy	18	38.1X	30.6 - 45.9X
Other	15	19.5X	6.2 - 26.7X
Total Inventory Turnover	31	20.4X	15.4 - 22.6X
Gross Margin Return on Inventory (GMROI):			
Grocery	30	397.3%	297.2 - 483.2%
Meat	30	1,264.9%	940.4 - 1,554.9%
Produce	30	2,302.5%	1,819.9 - 2,852.5%
General Merchandise/HaBA	11	219.6%	157.0 - 235.2%
Beer/Wine	15	286.7%	168.9 - 464.1%
Service Deli	22	1,873.8%	1,204.7 - 2,007.0%
Scratch/Bake-Off Bakery	20	2,349.2%	1,874.6 - 3,145.8%
Frozen Food	16	699.0%	381.3 - 869.3%
Dairy	18	920.9%	703.2 - 1,194.9%
Other	15	441.5%	136.5 - 707.2%
Total GMROI	31	550.6%	416.7 - 672.3%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1988

CONVENTIONAL SUPERMARKETS - - EAST NORTH CENTRAL REGION

SALES, MARGINS & TURNOVER BY MAJOR DEPARTMENT

	# STORES	TYPICAL	MIDDLE RANGE
Distribution of Sales:			
Grocery	32	74.0%	71.9 - 76.4%
Meat	32	18.6%	16.3 - 21.1%
Produce	32	7.4%	5.8 - 8.0%
Total Sales	32	100.0%	100.0 - 100.0%
Gross Margin Percent:			
Grocery	32	20.6%	17.1 - 22.8%
Meat	32	23.1%	20.1 - 26.7%
Produce	30	28.9%	26.1 - 31.4%
Total Gross Margin	30	21.6%	19.7 - 23.9%
Annual Inventory Turnover:			
Grocery	30	17.4X	13.4 - 20.3X
Meat	30	41.1X	36.2 - 48.1X
Produce	30	59.6X	45.6 - 68.0X
Total Inventory Turnover	31	20.4X	15.4 - 22.6X
Gross Margin Return on Inventory (GMROI):			
Grocery	30	425.0%	314.2 - 533.2%
Meat	30	1,394.6%	1,038.1 - 1,708.8%
Produce	30	2,302.5%	1,819.9 - 2,852.5%
Total GMROI	31	550.6%	416.7 - 672.3%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1988

CONVENTIONAL SUPERMARKETS - - WEST REGION

	# STORES	TYPICAL	MIDDLE RANGE
SALES DATA			
Percent Change from Previous Year	15	2.4%	-1.1 - 8.6%
Average Transaction Size	14	$14.72	$10.90 - 16.16
Store Sales per Hour of Operation	16	$1,104	$665 - 1,909
Distribution of Sales:			
Grocery	16	51.0%	43.4 - 58.1%
Meat	16	18.0%	14.7 - 20.9%
Produce	16	9.4%	6.5 - 11.3%
General Merchandise/HaBA	16	3.4%	1.0 - 4.0%
Beer/Wine	16	1.5%	0.0 - 0.0%
Service Deli	16	3.8%	0.0 - 5.0%
Scratch/ Bake-Off Bakery	16	1.9%	0.0 - 4.3%
Frozen Food	16	3.0%	0.0 - 4.9%
Dairy	16	5.4%	0.0 - 7.7%
Other	16	2.6%	0.0 - 5.8%
Total	16	100.0%	100.0 - 100.0%
INCOME STATEMENT DATA (As a % of Sales)			
Sales:			
Grocery	16	68.8%	65.7 - 74.9%
Meat	16	21.8%	17.8 - 23.9%
Produce	16	9.4%	6.5 - 11.3%
Total Sales	16	100.0%	100.0 - 100.0%
Gross Margins:			
Grocery	16	21.1%	20.0 - 22.9%
Meat	16	25.7%	23.1 - 28.4%
Produce	15	31.6%	28.5 - 32.8%
Total Gross Margin	16	23.2%	21.8 - 25.1%
Operating Expenses:			
Store Labor:			
Regular	16	9.8%	8.1 - 11.1%
Benefits	16	1.1%	0.7 - 1.6%
Total Store Labor Expense	16	11.1%	8.6 - 13.3%
Advertising & Promotion	16	1.1%	0.8 - 1.5%
Occupancy (Excluding Utilities)	16	2.3%	1.5 - 3.1%
Utilities	16	1.2%	0.8 - 1.3%
Maintenance	16	0.5%	0.4 - 0.7%
Store Supplies	16	1.0%	0.8 - 1.2%
Interest	16	0.6%	0.3 - 1.0%
Other	16	3.3%	1.4 - 3.9%
Total Operating Expenses	16	21.9%	19.7 - 23.9%
Profit Before Tax	16	1.8%	0.5 - 3.7%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1988

CONVENTIONAL SUPERMARKETS - - WEST REGION

	# STORES	TYPICAL	MIDDLE RANGE
PRODUCTIVITY DATA			
Personnel Productivity			
Sales per Labor Hour	14	$83.73	$62.36 - 100.42
Gross Margin per Labor Hour	14	$18.64	$13.82 - 24.26
Profit Before Tax per Labor Hour	14	$1.07	$0.08 - 3.46
Sales per Labor Dollar	16	$10.25	$9.03 - 12.34
Gross Margin per Labor Dollar	16	$2.37	$2.16 - 2.77
Transactions per Labor Hour	14	5.8	5.2 - 6.4
Payroll per Labor Hour	14	$7.61	$6.20 - 8.41
Benefits per Labor Hour	14	$0.86	$0.46 - 1.18
Payroll to Total Expenses	16	43.7%	39.8 - 54.6%
Benefits to Total Expenses	16	4.9%	3.3 - 7.0%
Payroll per Hour of Operation	16	$90.61	$73.07 - 199.54
Space Productivity			
Total Store Area:			
Average Square Footage	16	22,000	13,725 - 24,075
Weekly Sales per Square Foot	16	$5.63	$4.31 - 8.41
Weekly Gross Margin per Square Foot	16	$1.19	$0.98 - 2.10
Weekly Profit Before Tax per Sq Ft	16	$0.12	$0.03 - 0.24
Selling Area:			
Average Square Footage	16	14,000	9,675 - 19,700
Weekly Sales per Square Foot	16	$8.01	$4.92 - 11.32
Weekly Gross Margin per Square Foot	16	$1.69	$1.18 - 2.79
Weekly Profit Before Tax per Sq Ft	16	$0.15	$0.04 - 0.35
Average Weekly Sales per Store	16	$98,684	$61,729 - 201,587
Number of Checkouts	15	5	4 - 8
Weekly Sales per Checkout	15	$18,654	$12,236 - 22,257
Weekly Transactions per Checkout	14	1,315	1,123 - 1,656
Selling Square Footage per Checkout	15	2,425	2,049 - 2,619
Occupancy Cost (incl utilities) per Sq Ft	16	$10.32	$6.88 - 13.51
Occupancy Cost (incl util) to Total Expense	16	15.5%	12.4 - 18.9%
Transactions per Square Foot of Selling Area	14	0.57	0.45 - 0.71
Transactions per 1000 Selling Sq Ft per Hour	14	6.37	5.24 - 7.00
Percentage of Selling Area to Total Area	16	74.3%	67.0 - 82.6%
Inventory Dollars per Sq Ft of Selling Area	16	$21.80	$18.37 - 27.81

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1988

CONVENTIONAL SUPERMARKETS - - WEST REGION

	# STORES	TYPICAL	MIDDLE RANGE
Inventory Productivity			
Gross Margin:			
Grocery	15	20.0%	17.9 - 21.6%
Meat	15	24.0%	20.6 - 25.5%
Produce	15	31.6%	28.5 - 32.8%
General Merchandise/HaBA	11	26.3%	24.6 - 29.5%
Beer/Wine	0	INSUFFICIENT DATA	
Service Deli	10	37.0%	30.8 - 45.8%
Scratch/Bake-Off Bakery	8	42.3%	27.8 - 60.7%
Frozen Food	9	25.0%	23.6 - 28.0%
Dairy	10	19.0%	16.2 - 19.9%
Other	7	15.2%	12.8 - 26.5%
Total Gross Margin	16	23.2%	21.8 - 25.1%
Annual Inventory Turnover:			
Grocery	13	12.0X	9.2 - 14.9X
Meat	13	32.8X	25.6 - 50.0X
Produce	13	51.0X	49.3 - 92.9X
General Merchandise/HaBA	8	6.9X	3.8 - 9.7X
Beer/Wine	0	INSUFFICIENT DATA	
Service Deli	8	19.6X	18.4 - 28.6X
Scratch/Bake-Off Bakery	6	27.0X	
Frozen Food	5	13.4X	
Dairy	5	57.4X	
Other	5	8.0X	
Total Inventory Turnover	16	14.3X	11.2 - 18.4X
Gross Margin Return on Inventory (GMROI):			
Grocery	13	377.6%	226.0 - 397.5%
Meat	13	966.8%	768.4 - 1,653.5%
Produce	13	2,859.3%	2,000.0 - 4,371.0%
General Merchandise/HaBA	8	224.0%	149.4 - 318.3%
Beer/Wine	0	INSUFFICIENT DATA	
Service Deli	8	1,537.4%	1,176.1 - 1,706.7%
Scratch/Bake-Off Bakery	6	2,473.7%	
Frozen Food	5	473.5%	
Dairy	5	910.1%	
Other	5	225.1%	
Total GMROI	16	409.5%	328.8 - 657.7%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1988

CONVENTIONAL SUPERMARKETS - - WEST REGION

SALES, MARGINS & TURNOVER BY MAJOR DEPARTMENT

	# STORES	TYPICAL	MIDDLE RANGE	
Distribution of Sales:				
Grocery	16	68.8%	65.7 -	74.9%
Meat	16	21.8%	17.8 -	23.9%
Produce	16	9.4%	6.5 -	11.3%
Total Sales	16	100.0%	100.0 -	100.0%
Gross Margin Percent:				
Grocery	16	21.1%	20.0 -	22.9%
Meat	16	25.7%	23.1 -	28.4%
Produce	15	31.6%	28.5 -	32.8%
Total Gross Margin	16	23.2%	21.8 -	25.1%
Annual Inventory Turnover:				
Grocery	13	12.0X	9.1 -	16.2X
Meat	13	30.3X	24.4 -	44.6X
Produce	13	51.0X	49.3 -	92.9X
Total Inventory Turnover	16	14.3X	11.2 -	18.4X
Gross Margin Return on Inventory (GMROI):				
Grocery	13	320.2%	244.8 -	488.5%
Meat	13	1,111.1%	833.7 -	1,600.0%
Produce	13	2,859.3%	2,000.0 -	4,371.0%
Total GMROI	16	409.5%	328.8 -	657.7%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1988

CONVENTIONAL SUPERMARKETS - - MID SOUTH REGION

	# STORES	TYPICAL	MIDDLE RANGE	
SALES DATA				
Percent Change from Previous Year	19	6.6%	5.2 -	9.7%
Average Transaction Size	20	$15.36	$13.63 -	18.70
Store Sales per Hour of Operation	21	$1,185	$1,005 -	1,566
Distribution of Sales:				
Grocery	21	58.8%	55.1 -	62.0%
Meat	21	16.8%	15.4 -	18.5%
Produce	21	6.8%	6.4 -	7.2%
General Merchandise/HaBA	21	0.8%	0.0 -	1.0%
Beer/Wine	21	0.5%	0.0 -	0.5%
Service Deli	21	2.1%	0.0 -	3.3%
Scratch/ Bake-Off Bakery	21	0.5%	0.0 -	0.8%
Frozen Food	21	4.8%	4.9 -	5.7%
Dairy	21	8.4%	9.0 -	10.1%
Other	21	0.5%	0.0 -	0.0%
Total	21	100.0%	100.0 -	100.0%
INCOME STATEMENT DATA (As a % of Sales)				
Sales:				
Grocery	21	74.2%	72.5 -	75.9%
Meat	21	18.9%	17.7 -	20.1%
Produce	21	6.8%	6.4 -	7.2%
Total Sales	21	100.0%	100.0 -	100.0%
Gross Margins:				
Grocery	21	17.1%	16.6 -	17.6%
Meat	21	23.7%	21.9 -	25.9%
Produce	21	29.4%	27.2 -	30.9%
Total Gross Margin	21	19.1%	18.6 -	20.4%
Operating Expenses:				
Store Labor:				
Regular	19	6.9%	6.5 -	8.6%
Benefits	19	1.6%	0.9 -	1.8%
Total Store Labor Expense	19	8.6%	7.9 -	10.3%
Advertising & Promotion	19	0.8%	0.7 -	0.9%
Occupancy (Excluding Utilities)	19	2.3%	1.4 -	3.1%
Utilities	19	1.1%	0.8 -	1.3%
Maintenance	19	0.4%	0.4 -	0.5%
Store Supplies	19	1.1%	0.9 -	1.2%
Interest	19	0.2%	0.2 -	0.2%
Other	19	3.1%	2.5 -	3.2%
Total Operating Expenses	19	17.9%	16.8 -	20.6%
Profit Before Tax	19	1.3%	0.7 -	2.3%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1988

CONVENTIONAL SUPERMARKETS - - MID SOUTH REGION

	# STORES	TYPICAL	MIDDLE RANGE
PRODUCTIVITY DATA			
Personnel Productivity			
Sales per Labor Hour	20	$74.52	$68.03 - 90.67
Gross Margin per Labor Hour	20	$14.86	$13.53 - 18.27
Profit Before Tax per Labor Hour	19	$0.98	$0.54 - 1.96
Sales per Labor Dollar	19	$14.50	$11.65 - 15.31
Gross Margin per Labor Dollar	19	$2.71	$2.37 - 2.94
Transactions per Labor Hour	20	4.9	4.2 - 5.5
Payroll per Labor Hour	19	$5.25	$4.97 - 6.66
Benefits per Labor Hour	19	$1.08	$0.86 - 1.27
Payroll to Total Expenses	19	39.4%	38.3 - 48.0%
Benefits to Total Expenses	19	8.1%	6.7 - 9.8%
Payroll per Hour of Operation	19	$88.88	$76.82 - 114.85
Space Productivity			
Total Store Area:			
Average Square Footage	22	23,250	16,370 - 28,156
Weekly Sales per Square Foot	22	$5.84	$4.33 - 6.92
Weekly Gross Margin per Square Foot	21	$1.15	$0.83 - 1.33
Weekly Profit Before Tax per Sq Ft	19	$0.09	$0.04 - 0.18
Selling Area:			
Average Square Footage	22	15,323	12,050 - 17,046
Weekly Sales per Square Foot	22	$8.64	$7.49 - 9.72
Weekly Gross Margin per Square Foot	21	$1.67	$1.49 - 2.05
Weekly Profit Before Tax per Sq Ft	19	$0.13	$0.05 - 0.27
Average Weekly Sales per Store	22	$119,085	$99,798 - 167,726
Number of Checkouts	21	8	6 - 8
Weekly Sales per Checkout	21	$17,105	$13,702 - 19,691
Weekly Transactions per Checkout	20	1,023	788 - 1,306
Selling Square Footage per Checkout	21	1,983	1,735 - 2,417
Occupancy Cost (incl utilities) per Sq Ft	19	$9.20	$6.07 - 13.68
Occupancy Cost (incl util) to Total Expense	19	18.2%	15.3 - 22.8%
Transactions per Square Foot of Selling Area	20	0.58	0.42 - 0.66
Transactions per 1000 Selling Sq Ft per Hour	20	5.66	4.16 - 7.08
Percentage of Selling Area to Total Area	22	70.0%	65.2 - 75.0%
Inventory Dollars per Sq Ft of Selling Area	19	$17.55	$15.60 - 21.18

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1988

CONVENTIONAL SUPERMARKETS - - MID SOUTH REGION

	# STORES	TYPICAL	MIDDLE RANGE
Inventory Productivity			
Gross Margin:			
Grocery	21	16.2%	15.4 - 17.2%
Meat	21	22.4%	20.2 - 23.6%
Produce	21	29.4%	27.2 - 30.9%
General Merchandise/HaBA	6	22.3%	
Beer/Wine	6	11.8%	
Service Deli	14	38.4%	34.4 - 44.7%
Scratch/Bake-Off Bakery	8	42.8%	40.0 - 45.8%
Frozen Food	18	23.4%	21.9 - 24.3%
Dairy	18	20.0%	17.9 - 20.9%
Other	0	INSUFFICIENT DATA	
Total Gross Margin	21	19.1%	18.6 - 20.4%
Annual Inventory Turnover:			
Grocery	19	16.7X	13.9 - 19.1X
Meat	19	62.0X	53.7 - 73.7X
Produce	19	59.2X	43.3 - 70.3X
General Merchandise/HaBA	6	7.1X	
Beer/Wine	6	18.9X	
Service Deli	12	25.8X	21.3 - 34.1X
Scratch/Bake-Off Bakery	8	21.3X	17.4 - 26.9X
Frozen Food	18	19.4X	17.1 - 23.0X
Dairy	18	50.9X	47.2 - 63.9X
Other	0	INSUFFICIENT DATA	
Total Inventory Turnover	19	21.3X	18.4 - 23.4X
Gross Margin Return on Inventory (GMROI):			
Grocery	19	315.9%	270.7 - 393.9%
Meat	19	1,709.6%	1,475.1 - 2,350.0%
Produce	19	2,320.4%	1,804.0 - 3,080.6%
General Merchandise/HaBA	6	198.8%	
Beer/Wine	6	315.4%	
Service Deli	12	1,484.9%	1,195.9 - 2,681.7%
Scratch/Bake-Off Bakery	8	1,739.6%	1,195.1 - 2,395.7%
Frozen Food	18	562.9%	469.3 - 729.8%
Dairy	18	1,268.4%	1,048.6 - 1,489.2%
Other	0	INSUFFICIENT DATA	
Total GMROI	19	487.1%	439.9 - 610.9%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1988

CONVENTIONAL SUPERMARKETS - - MID SOUTH REGION

SALES, MARGINS & TURNOVER BY MAJOR DEPARTMENT

	# STORES	TYPICAL	MIDDLE RANGE	
Distribution of Sales:				
Grocery	21	74.2%	72.5 -	75.9%
Meat	21	18.9%	17.7 -	20.1%
Produce	21	6.8%	6.4 -	7.2%
Total Sales	21	100.0%	100.0 -	100.0%
Gross Margin Percent:				
Grocery	21	17.1%	16.6 -	17.6%
Meat	21	23.7%	21.9 -	25.9%
Produce	21	29.4%	27.2 -	30.9%
Total Gross Margin	21	19.1%	18.6 -	20.4%
Annual Inventory Turnover:				
Grocery	19	17.9X	15.4 -	19.3X
Meat	19	56.6X	50.2 -	65.9X
Produce	19	59.2X	43.3 -	70.3X
Total Inventory Turnover	19	21.3X	18.4 -	23.4X
Gross Margin Return on Inventory (GMROI):				
Grocery	19	355.5%	322.2 -	430.8%
Meat	19	1,709.6%	1,474.2 -	2,084.7%
Produce	19	2,320.4%	1,804.0 -	3,080.6%
Total GMROI	19	487.1%	439.9 -	610.9%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1988

CONVENTIONAL SUPERMARKETS - - SOUTHEAST REGION

	# STORES	TYPICAL	MIDDLE RANGE
SALES DATA			
Percent Change from Previous Year	12	7.4%	3.0 - 10.0%
Average Transaction Size	13	$11.11	$9.39 - 13.49
Store Sales per Hour of Operation	13	$887	$744 - 1,230
Distribution of Sales:			
Grocery	13	58.8%	49.2 - 65.0%
Meat	13	22.1%	18.6 - 25.5%
Produce	13	6.3%	5.6 - 6.6%
General Merchandise/HaBA	13	2.2%	0.0 - 3.2%
Beer/Wine	13	1.0%	0.0 - 0.0%
Service Deli	13	2.0%	0.0 - 4.2%
Scratch/ Bake-Off Bakery	13	0.4%	0.0 - 0.9%
Frozen Food	13	2.0%	0.0 - 3.8%
Dairy	13	3.4%	0.0 - 5.9%
Other	13	1.8%	0.0 - 4.0%
Total	13	100.0%	100.0 - 100.0%
INCOME STATEMENT DATA (As a % of Sales)			
Sales:			
Grocery	13	69.6%	67.6 - 71.5%
Meat	13	24.0%	22.1 - 26.4%
Produce	13	6.3%	5.6 - 6.6%
Total Sales	13	100.0%	100.0 - 100.0%
Gross Margins:			
Grocery	13	17.4%	16.9 - 18.5%
Meat	13	24.7%	22.8 - 25.6%
Produce	13	32.4%	29.5 - 33.6%
Total Gross Margin	13	19.8%	18.6 - 20.8%
Operating Expenses:			
Store Labor:			
Regular	13	8.5%	7.5 - 9.0%
Benefits	13	0.8%	0.3 - 1.5%
Total Store Labor Expense	13	8.9%	8.1 - 10.7%
Advertising & Promotion	13	1.1%	0.8 - 1.6%
Occupancy (Excluding Utilities)	13	1.6%	1.1 - 1.9%
Utilities	13	1.5%	1.2 - 1.8%
Maintenance	13	0.6%	0.5 - 0.6%
Store Supplies	13	1.0%	0.7 - 1.3%
Interest	13	0.4%	0.0 - 0.5%
Other	13	2.3%	0.9 - 3.3%
Total Operating Expenses	13	18.0%	16.9 - 18.9%
Profit Before Tax	13	1.7%	0.6 - 2.8%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1988

CONVENTIONAL SUPERMARKETS - - SOUTHEAST REGION

PRODUCTIVITY DATA

Personnel Productivity

	# STORES	TYPICAL	MIDDLE RANGE
Sales per Labor Hour	12	$76.40	$68.91 - 82.74
Gross Margin per Labor Hour	12	$14.49	$13.37 - 16.36
Profit Before Tax per Labor Hour	12	$1.02	$0.32 - 1.95
Sales per Labor Dollar	13	$11.78	$11.13 - 13.32
Gross Margin per Labor Dollar	13	$2.33	$2.09 - 2.48
Transactions per Labor Hour	12	5.9	5.3 - 7.9
Payroll per Labor Hour	12	$5.83	$5.15 - 7.36
Benefits per Labor Hour	12	$0.63	$0.30 - 1.50
Payroll to Total Expenses	13	48.6%	44.0 - 50.2%
Benefits to Total Expenses	13	5.1%	1.5 - 8.0%
Payroll per Hour of Operation	13	$79.75	$63.09 - 91.20

Space Productivity

	# STORES	TYPICAL	MIDDLE RANGE
Total Store Area:			
Average Square Footage	14	16,250	14,000 - 18,750
Weekly Sales per Square Foot	14	$5.13	$4.86 - 5.75
Weekly Gross Margin per Square Foot	13	$1.06	$0.90 - 1.14
Weekly Profit Before Tax per Sq Ft	13	$0.08	$0.03 - 0.15
Selling Area:			
Average Square Footage	14	12,000	10,250 - 15,225
Weekly Sales per Square Foot	14	$6.70	$6.46 - 7.08
Weekly Gross Margin per Square Foot	13	$1.28	$1.23 - 1.44
Weekly Profit Before Tax per Sq Ft	13	$0.12	$0.04 - 0.18
Average Weekly Sales per Store	14	$84,486	$60,765 - 99,862
Number of Checkouts	13	5	4 - 7
Weekly Sales per Checkout	13	$14,531	$12,272 - 16,567
Weekly Transactions per Checkout	13	1,375	1,150 - 1,500
Selling Square Footage per Checkout	13	2,225	2,000 - 2,500
Occupancy Cost (incl utilities) per Sq Ft	13	$7.75	$5.68 - 12.61
Occupancy Cost (incl util) to Total Expense	13	16.9%	16.3 - 19.5%
Transactions per Square Foot of Selling Area	13	0.58	0.50 - 0.66
Transactions per 1000 Selling Sq Ft per Hour	13	5.84	5.20 - 8.18
Percentage of Selling Area to Total Area	14	74.6%	72.7 - 80.8%
Inventory Dollars per Sq Ft of Selling Area	13	$17.97	$16.66 - 22.31

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1988

CONVENTIONAL SUPERMARKETS - - SOUTHEAST REGION

	# STORES	TYPICAL	MIDDLE RANGE
Inventory Productivity			
Gross Margin:			
Grocery	13	17.0%	15.1 - 17.8%
Meat	13	22.8%	20.5 - 24.6%
Produce	13	32.4%	29.5 - 33.6%
General Merchandise/HaBA	6	23.9%	
Beer/Wine	0	INSUFFICIENT DATA	
Service Deli	6	40.0%	
Scratch/Bake-Off Bakery	0	INSUFFICIENT DATA	
Frozen Food	6	25.7%	
Dairy	5	21.5%	
Other	6	20.9%	
Total Gross Margin	13	19.8%	18.6 - 20.8%
Annual Inventory Turnover:			
Grocery	13	12.4X	9.8 - 14.0X
Meat	13	48.8X	32.0 - 55.3X
Produce	13	43.3X	33.1 - 68.4X
General Merchandise/HaBA	5	4.7X	
Beer/Wine	0	INSUFFICIENT DATA	
Service Deli	6	22.2X	
Scratch/Bake-Off Bakery	0	INSUFFICIENT DATA	
Frozen Food	6	8.9X	
Dairy	5	39.3X	
Other	0	INSUFFICIENT DATA	
Total Inventory Turnover	13	14.6X	13.3 - 16.6X
Gross Margin Return on Inventory (GMROI):			
Grocery	13	226.5%	216.6 - 270.9%
Meat	13	1,463.7%	1,182.8 - 1,574.3%
Produce	13	2,072.1%	1,542.9 - 2,512.3%
General Merchandise/HaBA	5	127.5%	
Beer/Wine	0	INSUFFICIENT DATA	
Service Deli	6	1,453.7%	
Scratch/Bake-Off Bakery	0	INSUFFICIENT DATA	
Frozen Food	6	353.8%	
Dairy	5	980.9%	
Other	0	INSUFFICIENT DATA	
Total GMROI	13	374.7%	350.8 - 403.8%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1988

CONVENTIONAL SUPERMARKETS - - SOUTHEAST REGION

SALES, MARGINS & TURNOVER BY MAJOR DEPARTMENT	# STORES	TYPICAL	MIDDLE RANGE
Distribution of Sales:			
Grocery	13	69.6%	67.6 - 71.5%
Meat	13	24.0%	22.1 - 26.4%
Produce	13	6.3%	5.6 - 6.6%
Total Sales	13	100.0%	100.0 - 100.0%
Gross Margin Percent:			
Grocery	13	17.4%	16.9 - 18.5%
Meat	13	24.7%	22.8 - 25.6%
Produce	13	32.4%	29.5 - 33.6%
Total Gross Margin	13	19.8%	18.6 - 20.8%
Annual Inventory Turnover:			
Grocery	13	11.9X	10.0 - 12.9X
Meat	13	45.1X	32.0 - 51.6X
Produce	13	43.3X	33.1 - 68.4X
Total Inventory Turnover	13	14.6X	13.3 - 16.6X
Gross Margin Return on Inventory (GMROI):			
Grocery	13	250.1%	218.2 - 272.6%
Meat	13	1,456.2%	1,182.8 - 1,563.2%
Produce	13	2,072.1%	1,542.9 - 2,512.3%
Total GMROI	13	374.7%	350.8 - 403.8%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1988

CONVENTIONAL SUPERMARKETS - - PACIFIC

	# STORES	TYPICAL	MIDDLE RANGE	
SALES DATA				
Percent Change from Previous Year	19	4.8%	2.8 -	6.1%
Average Transaction Size	17	$14.55	$11.25 -	15.51
Store Sales per Hour of Operation	19	$1,847	$1,225 -	2,539
Distribution of Sales:				
Grocery	18	56.8%	49.1 -	64.4%
Meat	18	14.5%	12.2 -	16.7%
Produce	18	9.7%	7.9 -	11.0%
General Merchandise/HaBA	18	4.9%	1.3 -	6.9%
Beer/Wine	18	3.1%	0.0 -	6.2%
Service Deli	18	4.3%	3.9 -	5.8%
Scratch/ Bake-Off Bakery	18	2.2%	0.0 -	3.1%
Frozen Food	18	0.0%	0.0 -	0.0%
Dairy	18	0.7%	0.0 -	0.0%
Other	18	3.8%	0.8 -	5.5%
Total	18	100.0%	100.0 -	100.0%
INCOME STATEMENT DATA (As a % of Sales)				
Sales:				
Grocery	18	71.5%	68.2 -	75.3%
Meat	18	18.9%	16.1 -	21.9%
Produce	18	9.7%	7.9 -	11.0%
Total Sales	18	100.0%	100.0 -	100.0%
Gross Margins:				
Grocery	18	23.3%	22.1 -	25.2%
Meat	18	26.5%	23.4 -	28.9%
Produce	16	27.7%	25.9 -	29.3%
Total Gross Margin	18	25.1%	23.5 -	26.4%
Operating Expenses:				
Store Labor:				
Regular	19	11.5%	10.5 -	13.0%
Benefits	19	4.5%	2.7 -	5.0%
Total Store Labor Expense	19	16.1%	13.8 -	17.7%
Advertising & Promotion	19	0.8%	0.1 -	1.3%
Occupancy (Excluding Utilities)	19	1.3%	1.1 -	2.1%
Utilities	19	0.9%	0.7 -	1.2%
Maintenance	19	0.7%	0.5 -	0.8%
Store Supplies	19	0.8%	0.6 -	1.2%
Interest	19	0.2%	0.1 -	0.2%
Other	19	3.4%	2.7 -	4.1%
Total Operating Expenses	19	24.1%	22.6 -	26.0%
Profit Before Tax	19	1.6%	0.4 -	2.4%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1988

CONVENTIONAL SUPERMARKETS - - PACIFIC

PRODUCTIVITY DATA

	# STORES	TYPICAL	MIDDLE RANGE
Personnel Productivity			
Sales per Labor Hour	14	$89.06	$80.67 - 95.37
Gross Margin per Labor Hour	13	$22.11	$19.66 - 23.57
Profit Before Tax per Labor Hour	14	$1.23	-$0.44 - 1.54
Sales per Labor Dollar	19	$8.70	$7.69 - 9.54
Gross Margin per Labor Dollar	18	$2.15	$2.08 - 2.43
Transactions per Labor Hour	14	5.9	5.3 - 6.7
Payroll per Labor Hour	14	$10.65	$9.32 - 11.47
Benefits per Labor Hour	14	$4.06	$2.22 - 4.57
Payroll to Total Expenses	19	49.0%	46.7 - 50.8%
Benefits to Total Expenses	19	17.8%	12.1 - 19.9%
Payroll per Hour of Operation	19	$210.01	$133.13 - 296.72
Space Productivity			
Total Store Area:			
Average Square Footage	22	25,192	18,000 - 29,908
Weekly Sales per Square Foot	19	$8.68	$7.49 - 11.63
Weekly Gross Margin per Square Foot	18	$2.51	$1.95 - 2.89
Weekly Profit Before Tax per Sq Ft	19	$0.13	$0.03 - 0.27
Selling Area:			
Average Square Footage	22	18,000	14,625 - 22,000
Weekly Sales per Square Foot	19	$12.97	$9.99 - 15.89
Weekly Gross Margin per Square Foot	18	$3.20	$2.71 - 4.03
Weekly Profit Before Tax per Sq Ft	19	$0.19	$0.04 - 0.33
Average Weekly Sales per Store	19	$196,642	$139,198 - 311,001
Number of Checkouts	21	7	6 - 9
Weekly Sales per Checkout	18	$28,454	$21,761 - 33,368
Weekly Transactions per Checkout	16	1,859	1,689 - 2,165
Selling Square Footage per Checkout	18	2,312	2,112 - 2,623
Occupancy Cost (incl utilities) per Sq Ft	19	$11.11	$6.53 - 13.50
Occupancy Cost (incl util) to Total Expense	19	10.7%	7.0 - 14.3%
Transactions per Square Foot of Selling Area	17	0.86	0.78 - 0.96
Transactions per 1000 Selling Sq Ft per Hour	17	7.68	6.91 - 8.90
Percentage of Selling Area to Total Area	19	74.8%	66.8 - 83.0%
Inventory Dollars per Sq Ft of Selling Area	18	$28.79	$17.70 - 29.79

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1988

CONVENTIONAL SUPERMARKETS - - PACIFIC

	# STORES	TYPICAL	MIDDLE RANGE
Inventory Productivity			
Gross Margin:			
Grocery	16	21.4%	20.8 - 22.9%
Meat	16	23.2%	22.2 - 24.3%
Produce	16	27.7%	25.9 - 29.3%
General Merchandise/HaBA	13	29.2%	28.7 - 30.0%
Beer/Wine	9	18.6%	18.5 - 18.8%
Service Deli	14	39.7%	37.4 - 45.2%
Scratch/Bake-Off Bakery	11	21.3%	17.2 - 53.9%
Frozen Food	0	INSUFFICIENT DATA	
Dairy	0	INSUFFICIENT DATA	
Other	14	50.0%	29.5 - 108.1%
Total Gross Margin	18	25.1%	23.5 - 26.4%
Annual Inventory Turnover:			
Grocery	16	19.9X	14.7 - 23.1X
Meat	16	40.9X	35.7 - 48.4X
Produce	16	66.0X	58.0 - 78.4X
General Merchandise/HaBA	13	6.2X	5.6 - 7.2X
Beer/Wine	9	10.3X	8.6 - 10.6X
Service Deli	13	22.2X	17.2 - 25.8X
Scratch/Bake-Off Bakery	11	82.2X	13.6 - 107.1X
Frozen Food	0	INSUFFICIENT DATA	
Dairy	0	INSUFFICIENT DATA	
Other	14	9.8X	-11.0 - 14.4X
Total Inventory Turnover	18	18.8X	16.1 - 21.6X
Gross Margin Return on Inventory (GMROI):			
Grocery	16	546.8%	436.5 - 630.1%
Meat	16	1,235.6%	1,019.0 - 1,546.0%
Produce	16	2,581.7%	2,154.5 - 2,990.8%
General Merchandise/HaBA	13	270.9%	226.1 - 322.5%
Beer/Wine	9	240.1%	229.3 - 288.9%
Service Deli	13	1,400.0%	990.9 - 1,774.2%
Scratch/Bake-Off Bakery	11	2,218.6%	1,517.3 - 2,517.8%
Frozen Food	0	INSUFFICIENT DATA	
Dairy	0	INSUFFICIENT DATA	
Other	14	1,431.3%	518.2 - 9,569.7%
Total GMROI	18	677.6%	542.3 - 819.0%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1988

CONVENTIONAL SUPERMARKETS - - PACIFIC

SALES, MARGINS & TURNOVER BY MAJOR DEPARTMENT

	# STORES	TYPICAL	MIDDLE RANGE	
Distribution of Sales:				
Grocery	18	71.5%	68.2 -	75.3%
Meat	18	18.9%	16.1 -	21.9%
Produce	18	9.7%	7.9 -	11.0%
Total Sales	18	100.0%	100.0 -	100.0%
Gross Margin Percent:				
Grocery	18	23.3%	22.1 -	25.2%
Meat	18	26.5%	23.4 -	28.9%
Produce	16	27.7%	25.9 -	29.3%
Total Gross Margin	18	25.1%	23.5 -	26.4%
Annual Inventory Turnover:				
Grocery	18	16.7X	13.4 -	19.5X
Meat	18	35.6X	31.8 -	48.4X
Produce	16	66.0X	58.0 -	78.4X
Total Inventory Turnover	18	18.8X	16.1 -	21.6X
Gross Margin Return on Inventory (GMROI):				
Grocery	18	459.8%	402.8 -	557.5%
Meat	18	1,221.7%	971.9 -	1,717.4%
Produce	16	2,581.7%	2,154.5 -	2,990.8%
Total GMROI	18	677.6%	542.3 -	819.0%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1988

CONVENTIONAL SUPERMARKETS - - WEEKLY SALES UNDER $70,000

SALES DATA

	# STORES	TYPICAL	MIDDLE RANGE
Percent Change from Previous Year	24	1.9%	-0.7 - 8.9%
Average Transaction Size	27	$10.36	$8.48 - 12.03
Store Sales per Hour of Operation	27	$618	$507 - 729
Distribution of Sales:			
Grocery	27	63.6%	56.4 - 71.7%
Meat	27	16.7%	12.8 - 20.2%
Produce	27	7.3%	5.8 - 8.0%
General Merchandise/HaBA	27	0.8%	0.0 - 0.6%
Beer/Wine	27	0.7%	0.0 - 0.0%
Service Deli	27	2.4%	0.0 - 5.2%
Scratch/ Bake-Off Bakery	27	1.1%	0.0 - 1.8%
Frozen Food	27	2.2%	0.0 - 5.2%
Dairy	27	3.7%	0.0 - 8.8%
Other	27	1.7%	0.0 - 0.2%
Total	27	100.0%	100.0 - 100.0%

INCOME STATEMENT DATA (As a % of Sales)

	# STORES	TYPICAL	MIDDLE RANGE
Sales:			
Grocery	27	73.6%	71.0 - 76.8%
Meat	27	19.1%	15.9 - 22.2%
Produce	27	7.3%	5.8 - 8.0%
Total Sales	27	100.0%	100.0 - 100.0%
Gross Margins:			
Grocery	27	19.9%	17.1 - 21.2%
Meat	27	21.5%	19.5 - 25.5%
Produce	25	27.9%	24.8 - 31.9%
Total Gross Margin	26	21.0%	19.2 - 22.2%
Operating Expenses:			
Store Labor:			
Regular	27	8.9%	8.2 - 9.9%
Benefits	27	1.1%	0.7 - 1.8%
Total Store Labor Expense	27	10.2%	9.1 - 11.0%
Advertising & Promotion	27	1.1%	0.9 - 1.5%
Occupancy (Excluding Utilities)	27	1.5%	1.0 - 2.6%
Utilities	27	1.5%	1.2 - 1.7%
Maintenance	27	0.6%	0.5 - 0.7%
Store Supplies	27	1.1%	1.0 - 1.3%
Interest	27	0.3%	0.1 - 0.8%
Other	27	3.3%	2.4 - 4.4%
Total Operating Expenses	27	21.0%	17.9 - 22.8%
Profit Before Tax	27	1.1%	-0.4 - 2.4%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1988

CONVENTIONAL SUPERMARKETS - - WEEKLY SALES UNDER $70,000

	# STORES	TYPICAL	MIDDLE RANGE
PRODUCTIVITY DATA			
Personnel Productivity			
Sales per Labor Hour	25	$72.50	$61.10 - 84.99
Gross Margin per Labor Hour	23	$15.78	$13.59 - 17.92
Profit Before Tax per Labor Hour	24	$0.42	-$0.73 - 1.74
Sales per Labor Dollar	27	$11.30	$10.15 - 12.21
Gross Margin per Labor Dollar	26	$2.31	$2.06 - 2.68
Transactions per Labor Hour	25	6.4	5.1 - 8.3
Payroll per Labor Hour	24	$6.99	$5.45 - 7.86
Benefits per Labor Hour	24	$0.87	$0.58 - 1.50
Payroll to Total Expenses	27	43.8%	39.4 - 49.3%
Benefits to Total Expenses	27	4.9%	3.8 - 9.0%
Payroll per Hour of Operation	26	$56.18	$44.22 - 74.17
Space Productivity			
Total Store Area:			
Average Square Footage	28	10,850	7,977 - 14,438
Weekly Sales per Square Foot	28	$4.85	$3.96 - 5.37
Weekly Gross Margin per Square Foot	26	$0.94	$0.81 - 1.23
Weekly Profit Before Tax per Sq Ft	27	$0.06	-$0.02 - 0.14
Selling Area:			
Average Square Footage	28	8,000	6,543 - 10,000
Weekly Sales per Square Foot	28	$6.05	$4.74 - 7.85
Weekly Gross Margin per Square Foot	26	$1.31	$0.99 - 1.57
Weekly Profit Before Tax per Sq Ft	27	$0.07	-$0.02 - 0.17
Average Weekly Sales per Store	28	$50,126	$44,392 - 61,875
Number of Checkouts	28	4	4 - 4
Weekly Sales per Checkout	28	$12,739	$11,982 - 14,353
Weekly Transactions per Checkout	27	1,284	1,052 - 1,553
Selling Square Footage per Checkout	28	2,138	1,580 - 2,667
Occupancy Cost (incl utilities) per Sq Ft	27	$7.02	$5.57 - 10.25
Occupancy Cost (incl util) to Total Expense	27	13.6%	12.2 - 19.7%
Transactions per Square Foot of Selling Area	27	0.62	0.46 - 0.72
Transactions per 1000 Selling Sq Ft per Hour	26	7.16	5.36 - 8.85
Percentage of Selling Area to Total Area	28	73.8%	67.7 - 82.6%
Inventory Dollars per Sq Ft of Selling Area	26	$19.43	$14.81 - 24.31

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1988

CONVENTIONAL SUPERMARKETS - - WEEKLY SALES UNDER $70,000

	# STORES	TYPICAL	MIDDLE RANGE
Inventory Productivity			
Gross Margin:			
Grocery	25	19.0%	16.9 - 20.9%
Meat	25	20.0%	18.3 - 22.8%
Produce	25	27.9%	24.8 - 31.9%
General Merchandise/HaBA	5	23.9%	
Beer/Wine	0	INSUFFICIENT DATA	
Service Deli	11	35.6%	31.8 - 46.8%
Scratch/Bake-Off Bakery	10	37.9%	30.3 - 41.1%
Frozen Food	9	24.1%	23.1 - 25.2%
Dairy	8	19.6%	18.6 - 19.9%
Other	8	23.6%	13.8 - 26.3%
Total Gross Margin	26	21.0%	19.2 - 22.2%
Annual Inventory Turnover:			
Grocery	25	10.9X	9.2 - 13.2X
Meat	25	35.4X	25.6 - 44.6X
Produce	25	48.2X	36.7 - 86.4X
General Merchandise/HaBA	5	5.6X	
Beer/Wine	0	INSUFFICIENT DATA	
Service Deli	11	21.3X	18.4 - 32.2X
Scratch/Bake-Off Bakery	9	24.3X	13.2 - 32.8X
Frozen Food	9	10.5X	8.4 - 12.8X
Dairy	8	43.1X	32.2 - 50.9X
Other	6	16.7X	
Total Inventory Turnover	26	13.2X	11.0 - 16.7X
Gross Margin Return on Inventory (GMROI):			
Grocery	25	279.8%	216.6 - 313.2%
Meat	25	966.8%	607.2 - 1,465.7%
Produce	25	2,120.1%	1,304.8 - 3,026.7%
General Merchandise/HaBA	5	175.0%	
Beer/Wine	0	INSUFFICIENT DATA	
Service Deli	11	1,691.3%	1,302.6 - 2,572.3%
Scratch/Bake-Off Bakery	9	1,437.4%	1,000.0 - 1,941.8%
Frozen Food	9	320.0%	266.7 - 430.3%
Dairy	8	984.1%	841.7 - 1,292.3%
Other	6	387.5%	
Total GMROI	26	364.4%	319.4 - 416.0%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1988

CONVENTIONAL SUPERMARKETS - - WEEKLY SALES UNDER $70,000

	# STORES	TYPICAL	MIDDLE RANGE	
SALES, MARGINS & TURNOVER BY MAJOR DEPARTMENT				
Distribution of Sales:				
Grocery	27	73.6%	71.0 -	76.8%
Meat	27	19.1%	15.9 -	22.2%
Produce	27	7.3%	5.8 -	8.0%
Total Sales	27	100.0%	100.0 -	100.0%
Gross Margin Percent:				
Grocery	27	19.9%	17.1 -	21.2%
Meat	27	21.5%	19.5 -	25.5%
Produce	25	27.9%	24.8 -	31.9%
Total Gross Margin	26	21.0%	19.2 -	22.2%
Annual Inventory Turnover:				
Grocery	25	10.9X	9.3 -	13.8X
Meat	25	32.6X	25.2 -	44.6X
Produce	25	48.2X	36.7 -	86.4X
Total Inventory Turnover	26	13.2X	11.0 -	16.7X
Gross Margin Return on Inventory (GMROI):				
Grocery	25	292.2%	244.8 -	337.7%
Meat	25	991.4%	763.2 -	1,486.6%
Produce	25	2,120.1%	1,304.8 -	3,026.7%
Total GMROI	26	364.4%	319.4 -	416.0%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1988

CONVENTIONAL SUPERMARKETS - - WEEKLY SALES $70,000 TO $125,000

	# STORES	TYPICAL	MIDDLE RANGE
SALES DATA			
Percent Change from Previous Year	37	6.2%	3.1 - 11.4%
Average Transaction Size	37	$13.55	$11.25 - 14.92
Store Sales per Hour of Operation	41	$1,015	$914 - 1,230
Distribution of Sales:			
Grocery	39	57.7%	49.2 - 64.2%
Meat	39	17.3%	14.9 - 18.5%
Produce	39	7.0%	5.9 - 8.1%
General Merchandise/HaBA	39	1.9%	0.0 - 3.5%
Beer/Wine	39	0.6%	0.0 - 0.0%
Service Deli	39	3.2%	0.0 - 4.7%
Scratch/ Bake-Off Bakery	39	1.0%	0.0 - 2.1%
Frozen Food	39	3.9%	0.0 - 6.2%
Dairy	39	5.9%	0.0 - 9.7%
Other	39	1.5%	0.0 - 0.5%
Total	39	100.0%	100.0 - 100.0%
INCOME STATEMENT DATA (As a % of Sales)			
Sales:			
Grocery	39	72.5%	70.5 - 76.5%
Meat	39	20.5%	16.8 - 23.3%
Produce	39	7.0%	5.9 - 8.1%
Total Sales	39	100.0%	100.0 - 100.0%
Gross Margins:			
Grocery	39	20.1%	17.2 - 21.1%
Meat	39	24.6%	21.8 - 27.0%
Produce	39	30.3%	28.5 - 32.3%
Total Gross Margin	39	21.0%	19.3 - 22.8%
Operating Expenses:			
Store Labor:			
Regular	37	8.5%	7.5 - 9.7%
Benefits	37	1.5%	0.7 - 1.9%
Total Store Labor Expense	37	9.9%	8.3 - 11.3%
Advertising & Promotion	37	1.3%	0.8 - 1.6%
Occupancy (Excluding Utilities)	37	1.8%	1.1 - 2.3%
Utilities	37	1.2%	1.1 - 1.5%
Maintenance	37	0.6%	0.5 - 0.7%
Store Supplies	37	1.2%	1.0 - 1.4%
Interest	37	0.2%	0.1 - 0.5%
Other	37	3.2%	1.8 - 4.7%
Total Operating Expenses	37	20.3%	18.5 - 21.9%
Profit Before Tax	37	1.1%	0.6 - 2.8%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1988

CONVENTIONAL SUPERMARKETS - - WEEKLY SALES $70,000 TO $125,000

PRODUCTIVITY DATA

Personnel Productivity

	# STORES	TYPICAL	MIDDLE RANGE
Sales per Labor Hour	35	$73.16	$66.53 - 83.73
Gross Margin per Labor Hour	35	$15.38	$13.32 - 18.39
Profit Before Tax per Labor Hour	34	$0.88	$0.44 - 2.31
Sales per Labor Dollar	38	$11.74	$10.22 - 13.37
Gross Margin per Labor Dollar	38	$2.49	$2.24 - 2.86
Transactions per Labor Hour	35	5.6	5.0 - 6.4
Payroll per Labor Hour	34	$6.23	$5.33 - 7.51
Benefits per Labor Hour	32	$1.02	$0.58 - 1.28
Payroll to Total Expenses	38	42.7%	38.2 - 49.2%
Benefits to Total Expenses	36	7.4%	4.3 - 9.8%
Payroll per Hour of Operation	38	$88.54	$77.60 - 105.94

Space Productivity

Total Store Area:

	# STORES	TYPICAL	MIDDLE RANGE
Average Square Footage	43	16,500	14,350 - 20,500
Weekly Sales per Square Foot	43	$5.27	$4.82 - 6.97
Weekly Gross Margin per Square Foot	40	$1.10	$0.99 - 1.55
Weekly Profit Before Tax per Sq Ft	38	$0.06	$0.02 - 0.17

Selling Area:

	# STORES	TYPICAL	MIDDLE RANGE
Average Square Footage	43	12,500	10,000 - 15,073
Weekly Sales per Square Foot	43	$7.69	$6.61 - 9.72
Weekly Gross Margin per Square Foot	40	$1.61	$1.34 - 2.06
Weekly Profit Before Tax per Sq Ft	38	$0.08	$0.03 - 0.24

	# STORES	TYPICAL	MIDDLE RANGE
Average Weekly Sales per Store	43	$98,454	$89,120 - 109,532
Number of Checkouts	40	5	5 - 6
Weekly Sales per Checkout	40	$18,012	$15,280 - 20,093
Weekly Transactions per Checkout	37	1,372	1,128 - 1,629
Selling Square Footage per Checkout	40	2,125	1,911 - 2,525
Occupancy Cost (incl utilities) per Sq Ft	38	$8.62	$6.61 - 11.52
Occupancy Cost (incl util) to Total Expense	38	14.9%	11.0 - 18.3%
Transactions per Square Foot of Selling Area	37	0.62	0.52 - 0.74
Transactions per 1000 Selling Sq Ft per Hour	37	6.49	5.36 - 8.18
Percentage of Selling Area to Total Area	43	75.0%	67.2 - 78.4%
Inventory Dollars per Sq Ft of Selling Area	36	$19.02	$17.03 - 23.81

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1988

CONVENTIONAL SUPERMARKETS - - WEEKLY SALES $70,000 TO $125,000

Inventory Productivity

	# STORES	TYPICAL	MIDDLE RANGE
Gross Margin:			
Grocery	39	17.9%	16.2 - 20.9%
Meat	39	22.4%	19.7 - 23.8%
Produce	39	30.3%	28.5 - 32.3%
General Merchandise/HaBA	17	28.4%	24.5 - 30.0%
Beer/Wine	6	16.3%	
Service Deli	27	36.3%	33.1 - 42.3%
Scratch/Bake-Off Bakery	13	43.5%	38.6 - 60.0%
Frozen Food	25	23.8%	21.5 - 27.2%
Dairy	25	18.9%	17.4 - 20.9%
Other	13	18.0%	15.0 - 23.2%
Total Gross Margin	39	21.0%	19.3 - 22.8%
Annual Inventory Turnover:			
Grocery	35	12.5X	10.7 - 16.4X
Meat	35	51.3X	34.6 - 59.0X
Produce	35	52.3X	37.1 - 66.6X
General Merchandise/HaBA	12	5.2X	3.8 - 6.0X
Beer/Wine	0	INSUFFICIENT DATA	
Service Deli	22	23.5X	18.6 - 26.7X
Scratch/Bake-Off Bakery	13	18.8X	13.1 - 20.1X
Frozen Food	20	16.4X	12.8 - 20.6X
Dairy	21	38.0X	30.6 - 49.1X
Other	9	21.9X	9.7 - 44.0X
Total Inventory Turnover	36	16.8X	14.6 - 21.2X
Gross Margin Return on Inventory (GMROI):			
Grocery	35	283.9%	229.9 - 337.0%
Meat	35	1,449.4%	1,018.0 - 1,729.4%
Produce	35	2,302.0%	1,595.4 - 2,826.5%
General Merchandise/HaBA	12	222.2%	155.8 - 256.9%
Beer/Wine	0	INSUFFICIENT DATA	
Service Deli	22	1,306.3%	1,071.0 - 1,618.0%
Scratch/Bake-Off Bakery	13	1,766.8%	1,300.0 - 2,178.2%
Frozen Food	20	486.0%	438.2 - 668.4%
Dairy	21	980.9%	715.6 - 1,261.7%
Other	9	491.8%	225.1 - 843.8%
Total GMROI	36	444.0%	381.2 - 536.3%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1988

CONVENTIONAL SUPERMARKETS - - WEEKLY SALES $70,000 TO $125,000

SALES, MARGINS & TURNOVER BY MAJOR DEPARTMENT

	# STORES	TYPICAL	MIDDLE RANGE
Distribution of Sales:			
Grocery	39	72.5%	70.5 - 76.5%
Meat	39	20.5%	16.8 - 23.3%
Produce	39	7.0%	5.9 - 8.1%
Total Sales	39	100.0%	100.0 - 100.0%
Gross Margin Percent:			
Grocery	39	20.1%	17.2 - 21.1%
Meat	39	24.6%	21.8 - 27.0%
Produce	39	30.3%	28.5 - 32.3%
Total Gross Margin	39	21.0%	19.3 - 22.8%
Annual Inventory Turnover:			
Grocery	35	13.5X	11.9 - 17.5X
Meat	35	43.3X	32.0 - 54.2X
Produce	35	52.3X	37.1 - 66.6X
Total Inventory Turnover	36	16.8X	14.6 - 21.2X
Gross Margin Return on Inventory (GMROI):			
Grocery	35	322.5%	284.7 - 400.6%
Meat	35	1,449.4%	1,103.3 - 1,729.4%
Produce	35	2,302.0%	1,595.4 - 2,826.5%
Total GMROI	36	444.0%	381.2 - 536.3%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1988

CONVENTIONAL SUPERMARKETS - - WEEKLY SALES OVER $125,000

	# STORES	TYPICAL	MIDDLE RANGE	
SALES DATA				
Percent Change from Previous Year	63	6.1%	3.9 -	11.3%
Average Transaction Size	63	$16.99	$15.37 -	20.42
Store Sales per Hour of Operation	68	$2,027	$1,612 -	2,313
Distribution of Sales:				
Grocery	67	52.4%	46.5 -	58.9%
Meat	67	15.8%	13.8 -	17.5%
Produce	67	8.8%	7.2 -	9.8%
General Merchandise/HaBA	67	3.4%	0.0 -	6.0%
Beer/Wine	67	2.0%	0.0 -	3.4%
Service Deli	67	4.5%	3.2 -	5.3%
Scratch/ Bake-Off Bakery	67	2.0%	0.0 -	3.0%
Frozen Food	67	3.4%	0.0 -	6.3%
Dairy	67	5.4%	0.0 -	9.4%
Other	67	2.5%	0.0 -	3.0%
Total	67	100.0%	100.0 -	100.0%
INCOME STATEMENT DATA (As a % of Sales)				
Sales:				
Grocery	67	71.0%	69.6 -	74.3%
Meat	67	20.3%	17.9 -	21.5%
Produce	67	8.8%	7.2 -	9.8%
Total Sales	67	100.0%	100.0 -	100.0%
Gross Margins:				
Grocery	67	21.3%	18.5 -	22.9%
Meat	67	26.3%	23.2 -	28.0%
Produce	63	30.6%	27.3 -	32.8%
Total Gross Margin	66	23.4%	20.9 -	25.1%
Operating Expenses:				
Store Labor:				
Regular	66	9.0%	7.6 -	10.9%
Benefits	66	2.0%	1.2 -	3.0%
Total Store Labor Expense	66	11.1%	8.6 -	13.7%
Advertising & Promotion	66	1.0%	0.7 -	1.5%
Occupancy (Excluding Utilities)	66	1.7%	1.2 -	2.7%
Utilities	66	1.0%	0.8 -	1.1%
Maintenance	66	0.6%	0.4 -	0.8%
Store Supplies	66	1.1%	0.8 -	1.3%
Interest	66	0.2%	0.0 -	0.5%
Other	66	3.3%	1.6 -	4.4%
Total Operating Expenses	66	21.1%	18.5 -	23.7%
Profit Before Tax	66	2.0%	1.1 -	4.2%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1988

CONVENTIONAL SUPERMARKETS - - WEEKLY SALES OVER $125,000

PRODUCTIVITY DATA

	# STORES	TYPICAL	MIDDLE RANGE
Personnel Productivity			
Sales per Labor Hour	58	$88.47	$75.00 - 100.04
Gross Margin per Labor Hour	57	$19.66	$16.69 - 23.26
Profit Before Tax per Labor Hour	57	$1.55	$0.63 - 3.41
Sales per Labor Dollar	66	$11.16	$9.15 - 13.25
Gross Margin per Labor Dollar	66	$2.55	$2.24 - 2.86
Transactions per Labor Hour	58	5.0	4.4 - 5.9
Payroll per Labor Hour	57	$7.59	$5.98 - 10.35
Benefits per Labor Hour	56	$1.50	$0.99 - 3.03
Payroll to Total Expenses	66	44.9%	38.5 - 51.1%
Benefits to Total Expenses	65	9.8%	6.7 - 14.5%
Payroll per Hour of Operation	66	$191.83	$133.97 - 249.14
Space Productivity			
Total Store Area:			
Average Square Footage	69	27,060	22,000 - 32,000
Weekly Sales per Square Foot	69	$7.99	$6.73 - 10.38
Weekly Gross Margin per Square Foot	66	$1.90	$1.51 - 2.46
Weekly Profit Before Tax per Sq Ft	66	$0.18	$0.09 - 0.32
Selling Area:			
Average Square Footage	69	19,059	15,500 - 24,200
Weekly Sales per Square Foot	69	$11.39	$9.33 - 13.89
Weekly Gross Margin per Square Foot	66	$2.64	$2.15 - 3.49
Weekly Profit Before Tax per Sq Ft	66	$0.26	$0.12 - 0.44
Average Weekly Sales per Store	69	$203,151	$168,479 - 257,151
Number of Checkouts	66	8	7 - 10
Weekly Sales per Checkout	66	$24,892	$21,149 - 30,778
Weekly Transactions per Checkout	62	1,540	1,224 - 1,771
Selling Square Footage per Checkout	66	2,300	2,023 - 2,571
Occupancy Cost (incl utilities) per Sq Ft	66	$12.39	$8.93 - 16.26
Occupancy Cost (incl util) to Total Expense	66	14.2%	10.1 - 17.3%
Transactions per Square Foot of Selling Area	63	0.65	0.54 - 0.80
Transactions per 1000 Selling Sq Ft per Hour	63	6.61	4.97 - 7.91
Percentage of Selling Area to Total Area	69	74.4%	67.2 - 78.8%
Inventory Dollars per Sq Ft of Selling Area	63	$20.54	$17.61 - 27.92

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1988

CONVENTIONAL SUPERMARKETS - - WEEKLY SALES OVER $125,000

	# STORES	TYPICAL	MIDDLE RANGE
Inventory Productivity			
Gross Margin:			
Grocery	63	19.7%	16.4 - 21.4%
Meat	63	23.0%	21.0 - 24.8%
Produce	63	30.6%	27.3 - 32.8%
General Merchandise/HaBA	37	27.7%	22.3 - 29.8%
Beer/Wine	32	18.6%	15.0 - 22.2%
Service Deli	60	39.7%	36.7 - 44.4%
Scratch/Bake-Off Bakery	45	45.7%	29.1 - 58.9%
Frozen Food	32	25.4%	23.0 - 27.0%
Dairy	34	20.7%	18.7 - 23.0%
Other	43	31.1%	20.8 - 48.2%
Total Gross Margin	66	23.4%	20.9 - 25.1%
Annual Inventory Turnover:			
Grocery	58	19.7X	16.9 - 22.3X
Meat	58	51.0X	41.4 - 64.5X
Produce	58	65.2X	53.6 - 78.1X
General Merchandise/HaBA	35	6.2X	5.5 - 8.9X
Beer/Wine	31	10.7X	8.9 - 17.3X
Service Deli	54	27.0X	22.2 - 31.9X
Scratch/Bake-Off Bakery	42	25.8X	18.1 - 54.9X
Frozen Food	28	19.7X	16.9 - 24.2X
Dairy	29	45.7X	33.3 - 65.3X
Other	38	11.4X	6.7 - 20.6X
Total Inventory Turnover	63	21.3X	18.7 - 24.5X
Gross Margin Return on Inventory (GMROI):			
Grocery	58	460.2%	388.7 - 534.1%
Meat	58	1,526.6%	1,151.0 - 1,922.2%
Produce	58	2,857.4%	2,297.7 - 3,464.0%
General Merchandise/HaBA	35	232.3%	179.7 - 306.6%
Beer/Wine	31	286.7%	212.4 - 388.6%
Service Deli	54	1,770.7%	1,404.1 - 2,286.2%
Scratch/Bake-Off Bakery	42	2,454.7%	1,940.9 - 3,227.8%
Frozen Food	28	699.0%	507.5 - 838.4%
Dairy	29	1,044.7%	779.3 - 1,324.9%
Other	38	682.7%	280.4 - 1,853.8%
Total GMROI	63	652.7%	543.5 - 736.5%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1988

CONVENTIONAL SUPERMARKETS - - WEEKLY SALES OVER $125,000

	# STORES	TYPICAL	MIDDLE RANGE	
SALES, MARGINS & TURNOVER BY MAJOR DEPARTMENT				
Distribution of Sales:				
Grocery	67	71.0%	69.6 -	74.3%
Meat	67	20.3%	17.9 -	21.5%
Produce	67	8.8%	7.2 -	9.8%
Total Sales	67	100.0%	100.0 -	100.0%
Gross Margin Percent:				
Grocery	67	21.3%	18.5 -	22.9%
Meat	67	26.3%	23.2 -	28.0%
Produce	63	30.6%	27.3 -	32.8%
Total Gross Margin	66	23.4%	20.9 -	25.1%
Annual Inventory Turnover:				
Grocery	61	18.1X	16.5 -	20.8X
Meat	61	45.8X	36.9 -	56.1X
Produce	58	65.2X	53.6 -	78.1X
Total Inventory Turnover	63	21.3X	18.7 -	24.5X
Gross Margin Return on Inventory (GMROI):				
Grocery	61	478.2%	378.0 -	562.9%
Meat	61	1,596.4%	1,184.0 -	1,843.0%
Produce	58	2,857.4%	2,297.7 -	3,464.0%
Total GMROI	63	652.7%	543.5 -	736.5%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1988

CONVENTIONAL SUPERMARKETS - - MOST PROFITABLE STORES

SALES DATA

	# STORES	TYPICAL	MIDDLE RANGE	
Percent Change from Previous Year	60	6.1%	3.1 -	9.7%
Average Transaction Size	58	$15.60	$12.26 -	18.32
Store Sales per Hour of Operation	65	$1,583	$1,015 -	2,237
Distribution of Sales:				
Grocery	64	56.0%	48.6 -	63.4%
Meat	64	16.5%	14.3 -	18.3%
Produce	64	8.5%	6.6 -	9.3%
General Merchandise/HaBA	64	2.6%	0.0 -	5.1%
Beer/Wine	64	1.3%	0.0 -	1.0%
Service Deli	64	3.6%	1.7 -	5.4%
Scratch/ Bake-Off Bakery	64	1.5%	0.0 -	2.6%
Frozen Food	64	2.9%	0.0 -	5.7%
Dairy	64	4.8%	0.0 -	9.4%
Other	64	2.5%	0.0 -	4.8%
Total	64	100.0%	100.0 -	100.0%

INCOME STATEMENT DATA (As a % of Sales)

	# STORES	TYPICAL	MIDDLE RANGE	
Sales:				
Grocery	64	71.5%	69.4 -	74.6%
Meat	64	20.0%	17.8 -	22.3%
Produce	64	8.5%	6.6 -	9.3%
Total Sales	64	100.0%	100.0 -	100.0%
Gross Margins:				
Grocery	64	20.3%	18.3 -	22.7%
Meat	64	25.3%	23.1 -	28.2%
Produce	62	31.7%	27.9 -	33.2%
Total Gross Margin	64	22.7%	20.3 -	25.0%
Operating Expenses:				
Store Labor:				
Regular	65	8.5%	7.4 -	9.9%
Benefits	65	1.5%	0.8 -	2.4%
Total Store Labor Expense	65	9.9%	8.3 -	12.9%
Advertising & Promotion	65	1.0%	0.7 -	1.4%
Occupancy (Excluding Utilities)	65	1.6%	1.1 -	2.2%
Utilities	65	1.0%	0.8 -	1.2%
Maintenance	65	0.5%	0.4 -	0.7%
Store Supplies	65	1.1%	0.9 -	1.3%
Interest	65	0.2%	0.0 -	0.5%
Other	65	2.5%	1.2 -	4.0%
Total Operating Expenses	65	19.2%	16.9 -	21.3%
Profit Before Tax	65	3.4%	2.2 -	4.4%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1988

CONVENTIONAL SUPERMARKETS - - MOST PROFITABLE STORES

	# STORES	TYPICAL	MIDDLE RANGE
PRODUCTIVITY DATA			
Personnel Productivity			
Sales per Labor Hour	54	$86.06	$75.27 - 98.69
Gross Margin per Labor Hour	53	$18.71	$16.70 - 22.57
Profit Before Tax per Labor Hour	54	$2.54	$1.84 - 3.83
Sales per Labor Dollar	65	$11.73	$10.05 - 13.50
Gross Margin per Labor Dollar	64	$2.60	$2.29 - 2.97
Transactions per Labor Hour	54	5.5	4.9 - 6.7
Payroll per Labor Hour	54	$7.19	$6.02 - 8.33
Benefits per Labor Hour	51	$1.25	$0.77 - 1.64
Payroll to Total Expenses	65	46.7%	40.7 - 51.8%
Benefits to Total Expenses	62	8.0%	5.1 - 11.1%
Payroll per Hour of Operation	65	$132.37	$85.78 - 196.09
Space Productivity			
Total Store Area:			
Average Square Footage	65	22,000	14,300 - 29,000
Weekly Sales per Square Foot	65	$7.64	$5.62 - 9.74
Weekly Gross Margin per Square Foot	64	$1.76	$1.21 - 2.43
Weekly Profit Before Tax per Sq Ft	65	$0.24	$0.17 - 0.40
Selling Area:			
Average Square Footage	65	16,000	10,000 - 20,000
Weekly Sales per Square Foot	65	$10.88	$8.06 - 13.65
Weekly Gross Margin per Square Foot	64	$2.39	$1.59 - 3.40
Weekly Profit Before Tax per Sq Ft	65	$0.34	$0.22 - 0.52
Average Weekly Sales per Store	65	$168,479	$97,875 - 227,960
Number of Checkouts	62	7	5 - 9
Weekly Sales per Checkout	62	$22,470	$17,535 - 28,041
Weekly Transactions per Checkout	57	1,475	1,231 - 1,723
Selling Square Footage per Checkout	62	2,194	1,918 - 2,500
Occupancy Cost (incl utilities) per Sq Ft	65	$9.72	$6.76 - 14.09
Occupancy Cost (incl util) to Total Expense	65	14.2%	10.8 - 17.4%
Transactions per Square Foot of Selling Area	58	0.68	0.54 - 0.86
Transactions per 1000 Selling Sq Ft per Hour	58	6.82	5.15 - 9.00
Percentage of Selling Area to Total Area	65	74.8%	67.2 - 79.9%
Inventory Dollars per Sq Ft of Selling Area	60	$20.11	$17.61 - 25.11

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1988

CONVENTIONAL SUPERMARKETS - - MOST PROFITABLE STORES

	# STORES	TYPICAL	MIDDLE RANGE
Inventory Productivity			
Gross Margin:			
Grocery	62	19.0%	16.7 - 21.3%
Meat	62	23.0%	20.5 - 24.9%
Produce	62	31.7%	27.9 - 33.2%
General Merchandise/HaBA	30	27.9%	21.8 - 29.6%
Beer/Wine	21	18.6%	11.8 - 23.0%
Service Deli	47	40.4%	34.0 - 44.9%
Scratch/Bake-Off Bakery	35	47.0%	38.3 - 61.1%
Frozen Food	30	24.6%	22.3 - 27.4%
Dairy	32	20.1%	18.0 - 21.7%
Other	37	25.7%	16.1 - 36.8%
Total Gross Margin	64	22.7%	20.3 - 25.0%
Annual Inventory Turnover:			
Grocery	57	17.5X	14.1 - 20.2X
Meat	57	49.3X	35.8 - 64.1X
Produce	57	65.0X	51.0 - 92.9X
General Merchandise/HaBA	26	5.8X	5.1 - 8.0X
Beer/Wine	20	12.7X	10.4 - 18.8X
Service Deli	41	27.1X	21.9 - 32.7X
Scratch/Bake-Off Bakery	33	20.0X	16.2 - 30.3X
Frozen Food	24	20.1X	17.5 - 26.0X
Dairy	26	48.2X	43.2 - 59.3X
Other	31	14.8X	7.8 - 25.1X
Total Inventory Turnover	60	20.8X	16.6 - 22.5X
Gross Margin Return on Inventory (GMROI):			
Grocery	57	412.2%	310.4 - 480.9%
Meat	57	1,538.0%	1,092.5 - 1,915.5%
Produce	57	2,843.2%	2,146.4 - 3,915.9%
General Merchandise/HaBA	26	226.2%	165.7 - 275.1%
Beer/Wine	20	339.1%	231.5 - 395.6%
Service Deli	41	1,774.2%	1,416.3 - 2,501.2%
Scratch/Bake-Off Bakery	33	2,460.9%	2,032.0 - 3,088.2%
Frozen Food	24	732.5%	506.2 - 869.3%
Dairy	26	1,237.6%	960.8 - 1,490.2%
Other	31	581.9%	252.1 - 1,051.0%
Total GMROI	60	605.9%	423.1 - 725.7%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1988

CONVENTIONAL SUPERMARKETS - - MOST PROFITABLE STORES

SALES, MARGINS & TURNOVER BY MAJOR DEPARTMENT

	# STORES	TYPICAL	MIDDLE RANGE
Distribution of Sales:			
Grocery	64	71.5%	69.4 - 74.6%
Meat	64	20.0%	17.8 - 22.3%
Produce	64	8.5%	6.6 - 9.3%
Total Sales	64	100.0%	100.0 - 100.0%
Gross Margin Percent:			
Grocery	64	20.3%	18.3 - 22.7%
Meat	64	25.3%	23.1 - 28.2%
Produce	62	31.7%	27.9 - 33.2%
Total Gross Margin	64	22.7%	20.3 - 25.0%
Annual Inventory Turnover:			
Grocery	59	17.5X	13.6 - 20.0X
Meat	59	45.6X	35.1 - 56.2X
Produce	57	65.0X	51.0 - 92.9X
Total Inventory Turnover	60	20.8X	16.6 - 22.5X
Gross Margin Return on Inventory (GMROI):			
Grocery	59	435.0%	311.8 - 531.9%
Meat	59	1,522.7%	1,163.4 - 1,893.9%
Produce	57	2,843.2%	2,146.4 - 3,915.9%
Total GMROI	60	605.9%	423.1 - 725.7%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1988

CONVENTIONAL SUPERMARKETS - - LEAST PROFITABLE STORES

	# STORES	TYPICAL	MIDDLE RANGE
SALES DATA			
Percent Change from Previous Year	58	5.5%	1.6 - 11.4%
Average Transaction Size	63	$14.55	$11.18 - 17.17
Store Sales per Hour of Operation	64	$1,177	$794 - 1,761
Distribution of Sales:			
Grocery	64	56.5%	48.0 - 63.7%
Meat	64	16.6%	14.1 - 18.5%
Produce	64	7.5%	6.0 - 8.3%
General Merchandise/HaBA	64	2.3%	0.0 - 3.8%
Beer/Wine	64	1.4%	0.0 - 1.8%
Service Deli	64	3.7%	1.7 - 5.0%
Scratch/ Bake-Off Bakery	64	1.5%	0.0 - 2.7%
Frozen Food	64	3.8%	0.0 - 6.2%
Dairy	64	5.4%	0.0 - 9.5%
Other	64	1.4%	0.0 - 0.8%
Total	64	100.0%	100.0 - 100.0%
INCOME STATEMENT DATA (As a % of Sales)			
Sales:			
Grocery	64	72.2%	70.3 - 75.2%
Meat	64	20.3%	16.8 - 22.1%
Produce	64	7.5%	6.0 - 8.3%
Total Sales	64	100.0%	100.0 - 100.0%
Gross Margins:			
Grocery	64	20.7%	17.3 - 22.1%
Meat	64	25.2%	21.9 - 27.0%
Produce	62	29.1%	26.5 - 31.4%
Total Gross Margin	64	21.9%	19.7 - 23.7%
Operating Expenses:			
Store Labor:			
Regular	65	9.1%	7.8 - 10.6%
Benefits	65	1.7%	1.1 - 2.4%
Total Store Labor Expense	65	10.9%	8.9 - 12.7%
Advertising & Promotion	65	1.2%	0.8 - 1.7%
Occupancy (Excluding Utilities)	65	1.9%	1.3 - 2.8%
Utilities	65	1.2%	1.0 - 1.5%
Maintenance	65	0.6%	0.5 - 0.8%
Store Supplies	65	1.1%	0.9 - 1.3%
Interest	65	0.2%	0.1 - 0.6%
Other	65	3.6%	2.9 - 4.7%
Total Operating Expenses	65	22.0%	19.8 - 24.1%
Profit Before Tax	65	0.6%	-0.5 - 1.1%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1988

CONVENTIONAL SUPERMARKETS - - LEAST PROFITABLE STORES

	# STORES	TYPICAL	MIDDLE RANGE
PRODUCTIVITY DATA			
Personnel Productivity			
Sales per Labor Hour	60	$74.48	$66.64 - 87.95
Gross Margin per Labor Hour	60	$15.68	$13.90 - 19.71
Profit Before Tax per Labor Hour	60	$0.48	-$0.58 - 0.85
Sales per Labor Dollar	65	$10.99	$9.48 - 12.78
Gross Margin per Labor Dollar	65	$2.39	$2.11 - 2.73
Transactions per Labor Hour	60	5.2	4.4 - 6.3
Payroll per Labor Hour	60	$6.63	$5.24 - 8.66
Benefits per Labor Hour	60	$1.23	$0.67 - 1.88
Payroll to Total Expenses	65	42.0%	37.7 - 48.2%
Benefits to Total Expenses	65	8.1%	4.7 - 10.4%
Payroll per Hour of Operation	64	$97.88	$75.14 - 160.94
Space Productivity			
Total Store Area:			
Average Square Footage	65	19,000	14,400 - 24,000
Weekly Sales per Square Foot	65	$6.10	$4.82 - 7.96
Weekly Gross Margin per Square Foot	65	$1.29	$1.04 - 1.78
Weekly Profit Before Tax per Sq Ft	65	$0.04	-$0.02 - 0.07
Selling Area:			
Average Square Footage	65	13,500	10,000 - 18,000
Weekly Sales per Square Foot	65	$8.06	$6.61 - 11.26
Weekly Gross Margin per Square Foot	65	$1.70	$1.44 - 2.42
Weekly Profit Before Tax per Sq Ft	65	$0.05	-$0.03 - 0.10
Average Weekly Sales per Store	65	$109,450	$74,615 - 164,847
Number of Checkouts	65	6	5 - 8
Weekly Sales per Checkout	65	$18,296	$13,702 - 22,400
Weekly Transactions per Checkout	63	1,300	1,008 - 1,660
Selling Square Footage per Checkout	65	2,186	1,900 - 2,600
Occupancy Cost (incl utilities) per Sq Ft	65	$9.83	$6.58 - 13.06
Occupancy Cost (incl util) to Total Expense	65	14.3%	10.6 - 18.6%
Transactions per Square Foot of Selling Area	63	0.62	0.50 - 0.73
Transactions per 1000 Selling Sq Ft per Hour	62	6.62	5.34 - 7.67
Percentage of Selling Area to Total Area	65	73.3%	66.7 - 80.5%
Inventory Dollars per Sq Ft of Selling Area	64	$19.94	$16.21 - 24.94

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1988

CONVENTIONAL SUPERMARKETS - - LEAST PROFITABLE STORES

	# STORES	TYPICAL	MIDDLE RANGE	
Inventory Productivity				
Gross Margin:				
Grocery	62	19.8%	16.2 -	21.2%
Meat	62	22.0%	19.5 -	23.2%
Produce	62	29.1%	26.5 -	31.4%
General Merchandise/HaBA	28	26.4%	23.9 -	30.0%
Beer/Wine	19	18.7%	17.8 -	21.8%
Service Deli	49	38.0%	34.4 -	42.0%
Scratch/Bake-Off Bakery	33	39.5%	29.3 -	50.0%
Frozen Food	35	24.4%	23.1 -	26.5%
Dairy	34	19.7%	17.7 -	21.1%
Other	26	27.4%	16.9 -	54.2%
Total Gross Margin	64	21.9%	19.7 -	23.7%
Annual Inventory Turnover:				
Grocery	60	13.8X	10.5 -	18.7X
Meat	60	45.1X	35.5 -	56.4X
Produce	60	55.0X	38.6 -	68.7X
General Merchandise/HaBA	26	6.2X	4.9 -	8.9X
Beer/Wine	18	10.4X	7.5 -	15.6X
Service Deli	46	24.7X	18.7 -	28.9X
Scratch/Bake-Off Bakery	31	25.9X	17.5 -	44.0X
Frozen Food	33	14.2X	10.5 -	19.7X
Dairy	32	33.2X	28.3 -	47.3X
Other	22	9.6X	4.8 -	17.4X
Total Inventory Turnover	64	17.2X	13.9 -	21.5X
Gross Margin Return on Inventory (GMROI):				
Grocery	60	313.2%	257.2 -	459.6%
Meat	60	1,248.3%	927.4 -	1,660.8%
Produce	60	2,297.4%	1,580.2 -	2,959.8%
General Merchandise/HaBA	26	253.2%	150.2 -	303.3%
Beer/Wine	18	242.3%	192.6 -	351.6%
Service Deli	46	1,575.3%	1,190.8 -	1,880.1%
Scratch/Bake-Off Bakery	31	1,882.2%	1,427.1 -	2,401.6%
Frozen Food	33	463.1%	372.8 -	684.0%
Dairy	32	883.6%	522.4 -	1,064.1%
Other	22	528.0%	192.1 -	2,411.4%
Total GMROI	64	489.0%	380.7 -	639.7%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1988

CONVENTIONAL SUPERMARKETS - - LEAST PROFITABLE STORES

	# STORES	TYPICAL	MIDDLE RANGE	
SALES, MARGINS & TURNOVER BY MAJOR DEPARTMENT				
Distribution of Sales:				
Grocery	64	72.2%	70.3 -	75.2%
Meat	64	20.3%	16.8 -	22.1%
Produce	64	7.5%	6.0 -	8.3%
Total Sales	64	100.0%	100.0 -	100.0%
Gross Margin Percent:				
Grocery	64	20.7%	17.3 -	22.1%
Meat	64	25.2%	21.9 -	27.0%
Produce	62	29.1%	26.5 -	31.4%
Total Gross Margin	64	21.9%	19.7 -	23.7%
Annual Inventory Turnover:				
Grocery	61	14.1X	11.7 -	18.0X
Meat	61	38.6X	31.6 -	51.1X
Produce	60	55.0X	38.6 -	68.7X
Total Inventory Turnover	64	17.2X	13.9 -	21.5X
Gross Margin Return on Inventory (GMROI):				
Grocery	61	346.8%	290.2 -	449.8%
Meat	61	1,456.1%	991.4 -	1,723.0%
Produce	60	2,297.4%	1,580.2 -	2,959.8%
Total GMROI	64	489.0%	380.7 -	639.7%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1988

CONVENTIONAL SUPERMARKETS - - LESS THAN 10,000 SQ FT

SALES DATA

	# STORES	TYPICAL	MIDDLE RANGE
Percent Change from Previous Year	29	6.6%	1.9 - 10.1%
Average Transaction Size	30	$11.98	$9.62 - 14.93
Store Sales per Hour of Operation	29	$744	$551 - 979
Distribution of Sales:			
Grocery	29	59.8%	51.9 - 71.0%
Meat	29	16.1%	12.8 - 18.2%
Produce	29	8.0%	5.9 - 8.8%
General Merchandise/HaBA	29	1.2%	0.0 - 2.8%
Beer/Wine	29	0.5%	0.0 - 0.0%
Service Deli	29	3.1%	0.0 - 5.7%
Scratch/ Bake-Off Bakery	29	1.6%	0.0 - 2.9%
Frozen Food	29	2.7%	0.0 - 5.3%
Dairy	29	4.8%	0.0 - 9.8%
Other	29	2.2%	0.0 - 0.8%
Total	29	100.0%	100.0 - 100.0%

INCOME STATEMENT DATA (As a % of Sales)

	# STORES	TYPICAL	MIDDLE RANGE
Sales:			
Grocery	29	72.8%	70.1 - 77.1%
Meat	29	19.2%	15.1 - 22.1%
Produce	29	8.0%	5.9 - 8.8%
Total Sales	29	100.0%	100.0 - 100.0%
Gross Margins:			
Grocery	29	20.3%	18.8 - 21.9%
Meat	29	23.7%	20.2 - 27.0%
Produce	28	29.9%	26.7 - 32.1%
Total Gross Margin	28	22.1%	19.7 - 23.8%
Operating Expenses:			
Store Labor:			
Regular	29	8.8%	8.1 - 9.8%
Benefits	29	1.5%	0.9 - 1.9%
Total Store Labor Expense	29	10.2%	9.1 - 11.3%
Advertising & Promotion	29	1.1%	0.9 - 1.4%
Occupancy (Excluding Utilities)	29	1.7%	0.8 - 2.3%
Utilities	29	1.3%	1.0 - 1.6%
Maintenance	29	0.5%	0.5 - 0.7%
Store Supplies	29	1.1%	0.9 - 1.4%
Interest	29	0.2%	0.1 - 0.7%
Other	29	3.5%	2.4 - 5.6%
Total Operating Expenses	29	20.6%	17.8 - 23.3%
Profit Before Tax	29	1.4%	0.6 - 2.7%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1988

CONVENTIONAL SUPERMARKETS - - LESS THAN 10,000 SQ FT

PRODUCTIVITY DATA

Personnel Productivity

	# STORES	TYPICAL	MIDDLE RANGE
Sales per Labor Hour	29	$74.11	$66.79 - 86.17
Gross Margin per Labor Hour	27	$17.01	$14.97 - 19.87
Profit Before Tax per Labor Hour	28	$1.19	$0.31 - 2.32
Sales per Labor Dollar	29	$11.38	$10.19 - 12.38
Gross Margin per Labor Dollar	28	$2.51	$2.17 - 2.78
Transactions per Labor Hour	29	6.3	5.1 - 8.3
Payroll per Labor Hour	28	$7.09	$5.55 - 7.86
Benefits per Labor Hour	27	$1.23	$0.74 - 1.61
Payroll to Total Expenses	29	42.1%	38.5 - 48.7%
Benefits to Total Expenses	28	7.2%	4.7 - 10.4%
Payroll per Hour of Operation	28	$75.33	$52.11 - 89.72

Space Productivity

	# STORES	TYPICAL	MIDDLE RANGE
Total Store Area:			
Average Square Footage	31	10,000	7,954 - 11,000
Weekly Sales per Square Foot	30	$6.29	$5.03 - 9.08
Weekly Gross Margin per Square Foot	28	$1.27	$1.05 - 1.98
Weekly Profit Before Tax per Sq Ft	29	$0.12	$0.03 - 0.23
Selling Area:			
Average Square Footage	31	7,062	6,500 - 8,250
Weekly Sales per Square Foot	30	$9.15	$6.89 - 12.75
Weekly Gross Margin per Square Foot	28	$1.70	$1.49 - 3.05
Weekly Profit Before Tax per Sq Ft	29	$0.17	$0.03 - 0.32
Average Weekly Sales per Store	30	$61,311	$46,720 - 91,806
Number of Checkouts	30	4	4 - 5
Weekly Sales per Checkout	29	$14,109	$12,687 - 18,508
Weekly Transactions per Checkout	29	1,388	1,067 - 1,629
Selling Square Footage per Checkout	29	1,675	1,375 - 2,050
Occupancy Cost (incl utilities) per Sq Ft	29	$10.02	$7.02 - 14.09
Occupancy Cost (incl util) to Total Expense	29	13.5%	11.2 - 17.6%
Transactions per Square Foot of Selling Area	30	0.73	0.63 - 1.15
Transactions per 1000 Selling Sq Ft per Hour	29	9.04	7.08 - 12.27
Percentage of Selling Area to Total Area	30	71.9%	66.7 - 81.5%
Inventory Dollars per Sq Ft of Selling Area	28	$23.88	$19.93 - 25.01

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1988

CONVENTIONAL SUPERMARKETS - - LESS THAN 10,000 SQ FT

	# STORES	TYPICAL	MIDDLE RANGE
Inventory Productivity			
Gross Margin:			
Grocery	28	20.1%	16.6 - 22.1%
Meat	28	20.2%	19.5 - 24.4%
Produce	28	29.9%	26.7 - 32.1%
General Merchandise/HaBA	8	27.4%	25.1 - 29.4%
Beer/Wine	0	INSUFFICIENT DATA	
Service Deli	15	39.2%	32.0 - 45.2%
Scratch/Bake-Off Bakery	13	39.1%	33.3 - 49.8%
Frozen Food	13	25.2%	23.8 - 28.0%
Dairy	13	19.6%	18.9 - 20.1%
Other	10	20.1%	14.6 - 28.5%
Total Gross Margin	28	22.1%	19.7 - 23.8%
Annual Inventory Turnover:			
Grocery	28	13.2X	10.5 - 17.8X
Meat	28	35.2X	26.4 - 57.6X
Produce	28	49.6X	37.0 - 87.4X
General Merchandise/HaBA	7	6.1X	5.8 - 7.8X
Beer/Wine	0	INSUFFICIENT DATA	
Service Deli	15	23.6X	19.1 - 25.7X
Scratch/Bake-Off Bakery	12	27.2X	17.9 - 34.0X
Frozen Food	12	14.6X	10.8 - 23.4X
Dairy	12	45.0X	32.4 - 58.0X
Other	8	24.2X	12.4 - 35.4X
Total Inventory Turnover	28	17.6X	12.3 - 21.6X
Gross Margin Return on Inventory (GMROI):			
Grocery	28	325.8%	272.0 - 410.4%
Meat	28	1,177.2%	673.8 - 1,585.5%
Produce	28	2,316.2%	1,428.9 - 3,283.0%
General Merchandise/HaBA	7	240.7%	194.9 - 329.1%
Beer/Wine	0	INSUFFICIENT DATA	
Service Deli	15	1,622.6%	1,059.0 - 1,775.6%
Scratch/Bake-Off Bakery	12	1,749.1%	1,149.5 - 2,111.7%
Frozen Food	12	559.7%	375.1 - 744.9%
Dairy	12	1,103.8%	887.1 - 1,458.5%
Other	8	667.8%	178.2 - 1,154.6%
Total GMROI	28	504.5%	338.6 - 658.1%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1988

CONVENTIONAL SUPERMARKETS - - LESS THAN 10,000 SQ FT

SALES, MARGINS & TURNOVER BY MAJOR DEPARTMENT

	# STORES	TYPICAL	MIDDLE RANGE
Distribution of Sales:			
Grocery	29	72.8%	70.1 - 77.1%
Meat	29	19.2%	15.1 - 22.1%
Produce	29	8.0%	5.9 - 8.8%
Total Sales	29	100.0%	100.0 - 100.0%
Gross Margin Percent:			
Grocery	29	20.3%	18.8 - 21.9%
Meat	29	23.7%	20.2 - 27.0%
Produce	28	29.9%	26.7 - 32.1%
Total Gross Margin	28	22.1%	19.7 - 23.8%
Annual Inventory Turnover:			
Grocery	28	13.9X	10.7 - 18.3X
Meat	28	31.8X	25.7 - 53.2X
Produce	28	49.6X	37.0 - 87.4X
Total Inventory Turnover	28	17.6X	12.3 - 21.6X
Gross Margin Return on Inventory (GMROI):			
Grocery	28	376.8%	288.3 - 464.2%
Meat	28	1,250.4%	763.8 - 1,667.4%
Produce	28	2,316.2%	1,428.9 - 3,283.0%
Total GMROI	28	504.5%	338.6 - 658.1%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1988

CONVENTIONAL SUPERMARKETS - - 10,000 to 12,499 SQ FT

	# STORES	TYPICAL	MIDDLE RANGE	
SALES DATA				
Percent Change from Previous Year	21	5.1%	2.8 -	11.1%
Average Transaction Size	19	$13.16	$11.20 -	15.77
Store Sales per Hour of Operation	23	$1,093	$767 -	1,437
Distribution of Sales:				
Grocery	23	58.3%	49.4 -	66.1%
Meat	23	18.0%	15.1 -	19.9%
Produce	23	7.9%	6.3 -	8.9%
General Merchandise/HaBA	23	1.8%	0.0 -	3.2%
Beer/Wine	23	0.4%	0.0 -	0.0%
Service Deli	23	3.7%	0.7 -	5.2%
Scratch/ Bake-Off Bakery	23	0.5%	0.0 -	1.1%
Frozen Food	23	3.6%	0.0 -	6.1%
Dairy	23	5.1%	0.0 -	9.5%
Other	23	0.8%	0.0 -	0.6%
Total	23	100.0%	100.0 -	100.0%
INCOME STATEMENT DATA (As a % of Sales)				
Sales:				
Grocery	23	70.5%	69.6 -	73.3%
Meat	23	21.7%	18.9 -	24.3%
Produce	23	7.9%	6.3 -	8.9%
Total Sales	23	100.0%	100.0 -	100.0%
Gross Margins:				
Grocery	23	20.0%	16.9 -	21.0%
Meat	23	25.1%	20.8 -	27.0%
Produce	20	30.7%	26.8 -	34.1%
Total Gross Margin	23	21.8%	19.5 -	23.4%
Operating Expenses:				
Store Labor:				
Regular	23	8.4%	7.8 -	10.3%
Benefits	23	1.5%	0.6 -	2.1%
Total Store Labor Expense	23	10.0%	8.6 -	11.4%
Advertising & Promotion	23	1.2%	0.8 -	1.7%
Occupancy (Excluding Utilities)	23	1.5%	1.1 -	2.0%
Utilities	23	1.4%	1.2 -	1.6%
Maintenance	23	0.6%	0.5 -	0.8%
Store Supplies	23	1.2%	1.0 -	1.3%
Interest	23	0.2%	0.1 -	0.5%
Other	23	2.9%	1.4 -	4.5%
Total Operating Expenses	23	20.8%	18.5 -	21.8%
Profit Before Tax	23	1.3%	-0.3 -	3.8%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1988

CONVENTIONAL SUPERMARKETS - - 10,000 to 12,499 SQ FT

	# STORES	TYPICAL	MIDDLE RANGE
PRODUCTIVITY DATA			
Personnel Productivity			
Sales per Labor Hour	18	$80.85	$70.85 - 91.14
Gross Margin per Labor Hour	18	$17.73	$14.41 - 20.23
Profit Before Tax per Labor Hour	18	$0.81	-$0.24 - 3.31
Sales per Labor Dollar	23	$11.93	$9.75 - 12.85
Gross Margin per Labor Dollar	23	$2.46	$2.12 - 2.76
Transactions per Labor Hour	18	5.7	4.7 - 6.7
Payroll per Labor Hour	18	$6.82	$5.81 - 7.79
Benefits per Labor Hour	17	$1.14	$0.45 - 1.38
Payroll to Total Expenses	23	44.8%	39.5 - 50.2%
Benefits to Total Expenses	22	7.3%	3.4 - 9.8%
Payroll per Hour of Operation	23	$92.84	$66.94 - 115.33
Space Productivity			
Total Store Area:			
Average Square Footage	24	15,000	14,000 - 16,075
Weekly Sales per Square Foot	24	$6.17	$4.68 - 8.05
Weekly Gross Margin per Square Foot	23	$1.38	$0.90 - 1.65
Weekly Profit Before Tax per Sq Ft	23	$0.08	-$0.01 - 0.21
Selling Area:			
Average Square Footage	24	11,200	10,000 - 12,000
Weekly Sales per Square Foot	24	$8.08	$6.38 - 11.03
Weekly Gross Margin per Square Foot	23	$1.75	$1.20 - 2.41
Weekly Profit Before Tax per Sq Ft	23	$0.11	-$0.02 - 0.33
Average Weekly Sales per Store	24	$94,625	$70,227 - 118,039
Number of Checkouts	22	5	5 - 6
Weekly Sales per Checkout	22	$17,186	$14,734 - 20,864
Weekly Transactions per Checkout	19	1,302	1,071 - 1,506
Selling Square Footage per Checkout	22	2,000	1,916 - 2,400
Occupancy Cost (incl utilities) per Sq Ft	23	$8.70	$6.14 - 12.76
Occupancy Cost (incl util) to Total Expense	23	15.4%	11.6 - 17.8%
Transactions per Square Foot of Selling Area	19	0.58	0.51 - 0.71
Transactions per 1000 Selling Sq Ft per Hour	19	6.87	5.63 - 8.54
Percentage of Selling Area to Total Area	24	73.3%	70.0 - 76.6%
Inventory Dollars per Sq Ft of Selling Area	21	$18.64	$16.91 - 22.73

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1988

CONVENTIONAL SUPERMARKETS - - 10,000 to 12,499 SQ FT

	# STORES	TYPICAL	MIDDLE RANGE	
Inventory Productivity				
Gross Margin:				
Grocery	20	18.9%	16.8 -	21.0%
Meat	20	21.9%	20.5 -	24.0%
Produce	20	30.7%	26.8 -	34.1%
General Merchandise/HaBA	7	25.7%	22.5 -	30.5%
Beer/Wine	0	INSUFFICIENT DATA		
Service Deli	14	35.7%	33.5 -	39.9%
Scratch/Bake-Off Bakery	6	41.6%		
Frozen Food	11	26.0%	22.8 -	28.4%
Dairy	10	19.9%	18.7 -	21.3%
Other	7	18.4%	14.6 -	21.4%
Total Gross Margin	23	21.8%	19.5 -	23.4%
Annual Inventory Turnover:				
Grocery	18	13.4X	10.8 -	17.3X
Meat	18	51.2X	37.5 -	70.3X
Produce	18	57.2X	43.6 -	87.2X
General Merchandise/HaBA	6	5.2X		
Beer/Wine	0	INSUFFICIENT DATA		
Service Deli	12	29.1X	26.0 -	42.2X
Scratch/Bake-Off Bakery	6	19.3X		
Frozen Food	10	15.2X	8.6 -	19.9X
Dairy	10	41.1X	35.1 -	48.0X
Other	6	19.5X		
Total Inventory Turnover	21	16.6X	14.1 -	22.5X
Gross Margin Return on Inventory (GMROI):				
Grocery	18	282.8%	226.5 -	410.7%
Meat	18	1,672.7%	1,050.2 -	2,024.9%
Produce	18	2,371.0%	1,802.9 -	3,804.2%
General Merchandise/HaBA	6	241.1%		
Beer/Wine	0	INSUFFICIENT DATA		
Service Deli	12	1,526.3%	1,349.1 -	2,407.7%
Scratch/Bake-Off Bakery	6	1,373.6%		
Frozen Food	10	484.4%	303.2 -	804.1%
Dairy	10	999.7%	813.4 -	1,204.3%
Other	6	511.7%		
Total GMROI	21	446.9%	374.7 -	701.2%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1988

CONVENTIONAL SUPERMARKETS - - 10,000 to 12,499 SQ FT

SALES, MARGINS & TURNOVER BY MAJOR DEPARTMENT

	# STORES	TYPICAL	MIDDLE RANGE
Distribution of Sales:			
Grocery	23	70.5%	69.6 - 73.3%
Meat	23	21.7%	18.9 - 24.3%
Produce	23	7.9%	6.3 - 8.9%
Total Sales	23	100.0%	100.0 - 100.0%
Gross Margin Percent:			
Grocery	23	20.0%	16.9 - 21.0%
Meat	23	25.1%	20.8 - 27.0%
Produce	20	30.7%	26.8 - 34.1%
Total Gross Margin	23	21.8%	19.5 - 23.4%
Annual Inventory Turnover:			
Grocery	20	13.8X	11.8 - 20.4X
Meat	20	49.0X	40.1 - 56.4X
Produce	18	57.2X	43.6 - 87.2X
Total Inventory Turnover	21	16.6X	14.1 - 22.5X
Gross Margin Return on Inventory (GMROI):			
Grocery	20	311.1%	238.6 - 382.8%
Meat	20	1,532.6%	1,055.2 - 1,822.2%
Produce	18	2,371.0%	1,802.9 - 3,804.2%
Total GMROI	21	446.9%	374.7 - 701.2%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1988

CONVENTIONAL SUPERMARKETS - - 12,500 to 17,000 SQ FT

	# STORES	TYPICAL	MIDDLE RANGE	
SALES DATA				
Percent Change from Previous Year	30	6.0%	2.6 -	8.4%
Average Transaction Size	33	$14.71	$11.25 -	17.15
Store Sales per Hour of Operation	34	$1,247	$981 -	1,669
Distribution of Sales:				
Grocery	33	56.6%	49.1 -	64.9%
Meat	33	16.3%	14.3 -	18.3%
Produce	33	7.6%	6.1 -	8.3%
General Merchandise/HaBA	33	2.3%	0.0 -	4.1%
Beer/Wine	33	1.3%	0.0 -	2.0%
Service Deli	33	3.6%	2.0 -	4.5%
Scratch/ Bake-Off Bakery	33	1.2%	0.0 -	2.3%
Frozen Food	33	3.6%	0.0 -	6.1%
Dairy	33	5.9%	0.0 -	9.6%
Other	33	1.6%	0.0 -	1.6%
Total	33	100.0%	100.0 -	100.0%
INCOME STATEMENT DATA (As a % of Sales)				
Sales:				
Grocery	33	72.5%	71.2 -	75.9%
Meat	33	19.9%	17.4 -	20.8%
Produce	33	7.6%	6.1 -	8.3%
Total Sales	33	100.0%	100.0 -	100.0%
Gross Margins:				
Grocery	33	18.4%	17.2 -	21.2%
Meat	33	23.7%	21.3 -	27.9%
Produce	32	30.3%	28.2 -	31.9%
Total Gross Margin	33	20.8%	19.3 -	23.2%
Operating Expenses:				
Store Labor:				
Regular	31	8.1%	7.0 -	9.9%
Benefits	31	1.6%	0.9 -	2.2%
Total Store Labor Expense	31	9.8%	8.1 -	12.7%
Advertising & Promotion	31	1.2%	0.8 -	1.8%
Occupancy (Excluding Utilities)	31	1.9%	1.4 -	3.1%
Utilities	31	1.1%	1.0 -	1.3%
Maintenance	31	0.5%	0.3 -	0.8%
Store Supplies	31	1.1%	0.9 -	1.2%
Interest	31	0.2%	0.2 -	0.5%
Other	31	3.1%	1.7 -	3.9%
Total Operating Expenses	31	19.8%	17.9 -	21.4%
Profit Before Tax	31	1.4%	0.7 -	2.4%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1988

CONVENTIONAL SUPERMARKETS - - 12,500 to 17,000 SQ FT

PRODUCTIVITY DATA

Personnel Productivity

	# STORES	TYPICAL	MIDDLE RANGE
Sales per Labor Hour	31	$73.01	$67.17 - 88.47
Gross Margin per Labor Hour	31	$15.03	$13.41 - 19.12
Profit Before Tax per Labor Hour	30	$1.01	$0.45 - 1.96
Sales per Labor Dollar	32	$12.10	$9.96 - 14.34
Gross Margin per Labor Dollar	32	$2.61	$2.25 - 2.96
Transactions per Labor Hour	31	5.4	4.8 - 6.0
Payroll per Labor Hour	30	$6.36	$5.02 - 8.49
Benefits per Labor Hour	30	$1.12	$0.84 - 1.66
Payroll to Total Expenses	32	44.2%	38.3 - 50.3%
Benefits to Total Expenses	32	8.2%	6.0 - 10.3%
Payroll per Hour of Operation	32	$96.43	$81.83 - 176.64

Space Productivity

	# STORES	TYPICAL	MIDDLE RANGE
Total Store Area:			
Average Square Footage	36	20,000	17,950 - 23,000
Weekly Sales per Square Foot	35	$5.60	$4.86 - 7.49
Weekly Gross Margin per Square Foot	33	$1.17	$1.00 - 1.83
Weekly Profit Before Tax per Sq Ft	32	$0.09	$0.04 - 0.19
Selling Area:			
Average Square Footage	36	15,000	14,000 - 16,010
Weekly Sales per Square Foot	35	$8.52	$6.77 - 11.16
Weekly Gross Margin per Square Foot	33	$1.70	$1.37 - 2.62
Weekly Profit Before Tax per Sq Ft	32	$0.13	$0.05 - 0.24
Average Weekly Sales per Store	35	$122,066	$97,673 - 162,158
Number of Checkouts	35	7	5 - 8
Weekly Sales per Checkout	34	$18,965	$15,302 - 24,359
Weekly Transactions per Checkout	33	1,329	1,150 - 1,683
Selling Square Footage per Checkout	34	2,176	1,981 - 2,600
Occupancy Cost (incl utilities) per Sq Ft	32	$9.33	$6.44 - 14.11
Occupancy Cost (incl util) to Total Expense	32	14.8%	11.6 - 22.7%
Transactions per Square Foot of Selling Area	33	0.60	0.50 - 0.69
Transactions per 1000 Selling Sq Ft per Hour	33	5.92	5.00 - 7.15
Percentage of Selling Area to Total Area	35	75.0%	64.7 - 82.8%
Inventory Dollars per Sq Ft of Selling Area	32	$18.61	$16.22 - 24.03

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1988

CONVENTIONAL SUPERMARKETS - - 12,500 to 17,000 SQ FT

	# STORES	TYPICAL	MIDDLE RANGE	
Inventory Productivity				
Gross Margin:				
Grocery	32	17.0%	16.0 -	20.7%
Meat	32	22.0%	18.6 -	23.7%
Produce	32	30.3%	28.2 -	31.9%
General Merchandise/HaBA	14	26.0%	22.6 -	29.1%
Beer/Wine	10	17.9%	12.7 -	20.7%
Service Deli	25	37.5%	32.7 -	45.5%
Scratch/Bake-Off Bakery	13	42.6%	38.0 -	46.9%
Frozen Food	19	24.1%	20.7 -	25.9%
Dairy	20	20.0%	17.2 -	21.2%
Other	11	33.1%	22.5 -	48.2%
Total Gross Margin	33	20.8%	19.3 -	23.2%
Annual Inventory Turnover:				
Grocery	30	15.4X	10.9 -	17.7X
Meat	30	50.3X	39.4 -	61.4X
Produce	30	59.2X	39.0 -	66.7X
General Merchandise/HaBA	10	5.4X	2.9 -	6.7X
Beer/Wine	8	16.9X	10.4 -	18.4X
Service Deli	21	25.0X	19.1 -	27.5X
Scratch/Bake-Off Bakery	12	27.0X	22.8 -	48.4X
Frozen Food	16	19.3X	14.4 -	20.2X
Dairy	17	43.5X	31.1 -	51.3X
Other	7	21.9X	12.4 -	31.1X
Total Inventory Turnover	32	18.1X	15.0 -	22.5X
Gross Margin Return on Inventory (GMROI):				
Grocery	30	301.1%	259.1 -	424.4%
Meat	30	1,357.6%	975.2 -	1,655.3%
Produce	30	2,399.6%	2,069.0 -	2,972.5%
General Merchandise/HaBA	10	195.7%	104.3 -	261.0%
Beer/Wine	8	288.1%	199.4 -	532.2%
Service Deli	21	1,575.8%	1,073.0 -	2,175.7%
Scratch/Bake-Off Bakery	12	2,112.5%	1,729.6 -	3,337.2%
Frozen Food	16	513.3%	438.6 -	833.3%
Dairy	17	1,018.8%	840.7 -	1,261.7%
Other	7	1,729.6%	485.7 -	2,019.0%
Total GMROI	32	481.7%	380.7 -	659.1%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1988

CONVENTIONAL SUPERMARKETS - - 12,500 to 17,000 SQ FT

SALES, MARGINS & TURNOVER BY MAJOR DEPARTMENT

	# STORES	TYPICAL	MIDDLE RANGE
Distribution of Sales:			
Grocery	33	72.5%	71.2 - 75.9%
Meat	33	19.9%	17.4 - 20.8%
Produce	33	7.6%	6.1 - 8.3%
Total Sales	33	100.0%	100.0 - 100.0%
Gross Margin Percent:			
Grocery	33	18.4%	17.2 - 21.2%
Meat	33	23.7%	21.3 - 27.9%
Produce	32	30.3%	28.2 - 31.9%
Total Gross Margin	33	20.8%	19.3 - 23.2%
Annual Inventory Turnover:			
Grocery	31	16.9X	12.8 - 19.3X
Meat	31	43.5X	37.3 - 55.6X
Produce	30	59.2X	39.0 - 66.7X
Total Inventory Turnover	32	18.1X	15.0 - 22.5X
Gross Margin Return on Inventory (GMROI):			
Grocery	31	339.0%	288.1 - 460.7%
Meat	31	1,453.3%	1,002.6 - 1,919.3%
Produce	30	2,399.6%	2,069.0 - 2,972.5%
Total GMROI	32	481.7%	380.7 - 659.1%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1988

CONVENTIONAL SUPERMARKETS - - OVER 17,000 SQ FT

	# STORES	TYPICAL	MIDDLE RANGE
SALES DATA			
Percent Change from Previous Year	44	6.1%	2.5 - 10.7%
Average Transaction Size	45	$16.71	$15.27 - 20.54
Store Sales per Hour of Operation	50	$2,156	$1,699 - 2,381
Distribution of Sales:			
Grocery	48	52.8%	46.6 - 58.9%
Meat	48	16.0%	13.8 - 17.7%
Produce	48	8.2%	7.0 - 9.0%
General Merchandise/HaBA	48	3.6%	0.0 - 6.3%
Beer/Wine	48	2.1%	0.0 - 3.4%
Service Deli	48	4.0%	3.2 - 5.0%
Scratch/ Bake-Off Bakery	48	2.2%	0.6 - 3.2%
Frozen Food	48	3.3%	0.0 - 6.8%
Dairy	48	4.9%	0.0 - 9.3%
Other	48	2.8%	0.3 - 4.8%
Total	48	100.0%	100.0 - 100.0%
INCOME STATEMENT DATA (As a % of Sales)			
Sales:			
Grocery	48	71.8%	70.0 - 74.3%
Meat	48	20.0%	17.9 - 21.7%
Produce	48	8.2%	7.0 - 9.0%
Total Sales	48	100.0%	100.0 - 100.0%
Gross Margins:			
Grocery	48	21.8%	19.2 - 23.3%
Meat	48	26.3%	24.4 - 28.4%
Produce	47	30.0%	26.8 - 32.5%
Total Gross Margin	47	23.8%	21.0 - 25.1%
Operating Expenses:			
Store Labor:			
Regular	47	9.2%	7.6 - 11.2%
Benefits	47	2.0%	1.0 - 2.8%
Total Store Labor Expense	47	11.2%	8.7 - 13.9%
Advertising & Promotion	47	1.1%	0.6 - 1.6%
Occupancy (Excluding Utilities)	47	1.7%	1.1 - 2.3%
Utilities	47	0.9%	0.7 - 1.2%
Maintenance	47	0.6%	0.5 - 0.8%
Store Supplies	47	1.1%	0.7 - 1.4%
Interest	47	0.2%	0.0 - 0.5%
Other	47	3.5%	2.1 - 4.6%
Total Operating Expenses	47	22.0%	18.7 - 23.7%
Profit Before Tax	47	2.0%	0.8 - 3.4%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1988

CONVENTIONAL SUPERMARKETS - - OVER 17,000 SQ FT

PRODUCTIVITY DATA

Personnel Productivity

	# STORES	TYPICAL	MIDDLE RANGE
Sales per Labor Hour	40	$85.72	$75.02 - 99.98
Gross Margin per Labor Hour	39	$19.42	$16.61 - 22.84
Profit Before Tax per Labor Hour	39	$1.51	$0.60 - 3.22
Sales per Labor Dollar	47	$10.89	$8.95 - 13.15
Gross Margin per Labor Dollar	47	$2.48	$2.21 - 2.80
Transactions per Labor Hour	40	5.0	4.4 - 6.0
Payroll per Labor Hour	39	$7.81	$6.47 - 9.65
Benefits per Labor Hour	38	$1.36	$0.88 - 2.74
Payroll to Total Expenses	47	44.9%	40.8 - 51.1%
Benefits to Total Expenses	46	9.4%	6.2 - 12.6%
Payroll per Hour of Operation	47	$192.57	$143.73 - 250.65

Space Productivity

	# STORES	TYPICAL	MIDDLE RANGE
Total Store Area:			
Average Square Footage	53	30,000	24,300 - 33,150
Weekly Sales per Square Foot	51	$7.47	$6.11 - 9.71
Weekly Gross Margin per Square Foot	48	$1.81	$1.24 - 2.39
Weekly Profit Before Tax per Sq Ft	47	$0.14	$0.06 - 0.26
Selling Area:			
Average Square Footage	53	22,000	19,000 - 25,000
Weekly Sales per Square Foot	51	$10.02	$8.29 - 13.41
Weekly Gross Margin per Square Foot	48	$2.36	$1.62 - 3.13
Weekly Profit Before Tax per Sq Ft	47	$0.19	$0.07 - 0.39
Average Weekly Sales per Store	51	$221,625	$174,366 - 301,286
Number of Checkouts	51	9	7 - 10
Weekly Sales per Checkout	49	$24,302	$21,057 - 29,429
Weekly Transactions per Checkout	45	1,550	1,231 - 1,794
Selling Square Footage per Checkout	49	2,500	2,188 - 2,800
Occupancy Cost (incl utilities) per Sq Ft	47	$10.23	$7.01 - 13.64
Occupancy Cost (incl util) to Total Expense	47	13.4%	9.7 - 17.3%
Transactions per Square Foot of Selling Area	45	0.62	0.51 - 0.77
Transactions per 1000 Selling Sq Ft per Hour	45	5.67	4.43 - 7.02
Percentage of Selling Area to Total Area	51	75.0%	69.5 - 78.8%
Inventory Dollars per Sq Ft of Selling Area	44	$19.48	$15.92 - 26.77

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1988

CONVENTIONAL SUPERMARKETS - - OVER 17,000 SQ FT

	# STORES	TYPICAL	MIDDLE RANGE
Inventory Productivity			
Gross Margin:			
Grocery	47	19.8%	16.9 - 21.4%
Meat	47	22.9%	21.0 - 24.6%
Produce	47	30.0%	26.8 - 32.5%
General Merchandise/HaBA	30	28.0%	22.4 - 29.8%
Beer/Wine	25	18.6%	15.0 - 21.7%
Service Deli	44	40.1%	37.2 - 43.9%
Scratch/Bake-Off Bakery	36	48.8%	32.8 - 62.7%
Frozen Food	23	24.1%	22.6 - 26.1%
Dairy	24	20.3%	17.9 - 23.0%
Other	36	29.8%	18.3 - 49.8%
Total Gross Margin	47	23.8%	21.0 - 25.1%
Annual Inventory Turnover:			
Grocery	42	19.9X	15.4 - 22.9X
Meat	42	48.6X	38.4 - 58.1X
Produce	42	65.7X	54.5 - 74.1X
General Merchandise/HaBA	29	6.2X	5.5 - 8.9X
Beer/Wine	24	10.7X	9.1 - 15.8X
Service Deli	39	25.8X	20.5 - 30.7X
Scratch/Bake-Off Bakery	34	19.9X	15.7 - 34.4X
Frozen Food	19	18.8X	13.2 - 24.5X
Dairy	19	42.2X	32.2 - 57.5X
Other	32	8.9X	5.4 - 14.5X
Total Inventory Turnover	44	21.0X	16.8 - 22.2X
Gross Margin Return on Inventory (GMROI):			
Grocery	42	459.1%	344.1 - 512.6%
Meat	42	1,463.8%	1,114.4 - 1,752.8%
Produce	42	2,849.4%	2,253.6 - 3,359.7%
General Merchandise/HaBA	29	229.7%	171.1 - 300.7%
Beer/Wine	24	265.6%	200.9 - 371.7%
Service Deli	39	1,752.7%	1,331.2 - 2,119.9%
Scratch/Bake-Off Bakery	34	2,468.1%	1,864.1 - 3,046.9%
Frozen Food	19	597.8%	438.1 - 791.7%
Dairy	19	897.7%	722.4 - 1,289.6%
Other	32	528.0%	208.9 - 1,184.3%
Total GMROI	44	590.1%	486.2 - 684.1%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1988

CONVENTIONAL SUPERMARKETS - - OVER 17,000 SQ FT

SALES, MARGINS & TURNOVER BY MAJOR DEPARTMENT

	# STORES	TYPICAL	MIDDLE RANGE
Distribution of Sales:			
Grocery	48	71.8%	70.0 - 74.3%
Meat	48	20.0%	17.9 - 21.7%
Produce	48	8.2%	7.0 - 9.0%
Total Sales	48	100.0%	100.0 - 100.0%
Gross Margin Percent:			
Grocery	48	21.8%	19.2 - 23.3%
Meat	48	26.3%	24.4 - 28.4%
Produce	47	30.0%	26.8 - 32.5%
Total Gross Margin	47	23.8%	21.0 - 25.1%
Annual Inventory Turnover:			
Grocery	42	17.4X	14.4 - 19.7X
Meat	42	41.1X	33.3 - 51.2X
Produce	42	65.7X	54.5 - 74.1X
Total Inventory Turnover	44	21.0X	16.8 - 22.2X
Gross Margin Return on Inventory (GMROI):			
Grocery	42	459.8%	370.5 - 534.1%
Meat	42	1,550.2%	1,162.4 - 1,785.9%
Produce	42	2,849.4%	2,253.6 - 3,359.7%
Total GMROI	44	590.1%	486.2 - 684.1%

Super Stores

Overview of Performance--Super Stores

The success of an independent super store, as with any other type of retailer is to control expenses and effectively manage resources.

Some highlights of the 1988 performance include:

- Typical weekly sales of over $350,000 with an average transaction size of over $19.00.
- Operating expenses absorbed nearly 21% of sales, while labor expense to sales was just over 11.0%.
- Net profit margin before tax was 1.1%.
- Inventory productivity was strong with gross profit margin at nearly 20%; inventory turnover over 22 times; and a GMROI at 563.0%.

The table below highlights selected key ratios and their five year comparisons for all super store operators responding to the FMI *Operating Results of Independent Supermarkets.*

All Responding Super Store Operators
1984--1988

	1988	1987	1986	1985	1984
SALES DATA					
Average Weekly Sales per Store	$352,682	$298,907	$245,521	$261,538	$213,462
Sales per Labor Hour	$95.16	$91.49	$85.99	$91.25	$85.47
Average Transaction Size	$19.42	$18.99	$18.28	$16.94	$16.83
SPACE DATA					
Total Store Area (square feet)	45,145	39,500	35,500	35,000	34,500
Selling Area (square feet)	34,300	27,653	27,400	27,500	25,500
Weekly Sales per Sq. ft. of Selling Area	$10.11	$11.02	$9.08	$8.04	$8.85
INVENTORY DATA					
Inventory Turnover (times)	19.5x	23.1x	18.3x	21.4x	19.4x
Gross Profit Margin	22.1%	23.5%	22.8%	22.9%	21.8%
GMROI	562.5%	674.0%	489.1%	598.2%	553.1%
PROFIT DATA					
Net Profit Margin Before Tax	1.1%	2.5%	1.0%	1.6%	2.4%
OPERATING EXPENSE DATA (as a % of sales)					
Total Operating Expense	20.9%	20.3%	20.9%	18.1%	20.5%
Store Labor Expense:					
Direct/Regular	8.6%	8.8%	9.2%	8.2%	8.8%
Fringe Benefits	2.5%	1.7%	1.5%	1.3%	1.8%

Source: Operating Results of Independent Supermarkets, 1988

Super Stores--Winners vs. Losers in 1988

One of the most beneficial tasks of studying industry performance statistics is to understand the operating characteristics of highly profitable stores. Within this section these are designated as the "Most Profitable Stores," which includes those stores that are among the upper 50 percent in terms of net profit before tax (located on the bottom of the income statement for each grouping).

An "understanding" of why the "winners" were successful can provide important clues into how a sub-par business can be improved. However, food retailers are cautioned not to make indiscriminate changes in their operations to conform to the industry profit leaders. Rather, many formulas for success exist and are specific to each individual situation. However, focusing attention on the characteristics of the high profit stores may be useful for identifying which business activities are most worthy of managerial attention.

Compared with the least profitable group of stores, the 1988 high performance stores exhibited:

- More productive personnel as measured by sales per labor hour ($96.77 versus $86.24) and earning a much stronger gross margin per labor hour of $23.62 versus $17.90.
- Space productivity was also higher in terms of both sales and gross margins per square foot of selling space. Sales per square foot of selling area was reported at $12.63 versus $9.44 and gross margin per square foot of selling area of $3.23 versus $1.82.
- Sales growth over 1987 levels was slightly lower for the most profitable group (4.8% versus 5.1%). However, the typical transaction was nearly 10.0% higher per transaction for the most profitable group (21.06 versus $19.11).
- Better expense control ($20.2% of sales versus 21.3%).

As can be seen by the income statement that follows, the most profitable stores exhibited tighter expense control (20.2% of sales versus 21.3%) than the least profitable stores. Expense control coupled with the slightly higher gross margin percent of sales (22.6% versus 22.1%) was instrumental in determining the industry "winners."

1988 Summary Income Statement
(Numbers Expressed as a % of Total Sales)

	Most Profitable Stores	Least Profitable Stores
Sales:		
Grocery	71.4%	74.9%
Meat	19.6	17.9
Produce	7.9	7.6
Total Sales	100.0%	100.0%
Gross Margins:		
Grocery	20.9	20.3
Meat	26.0	24.9
Produce	32.2	29.1
Total Gross Margin	22.6	22.1
Operating Expenses:		
Store Labor:		
Regular	8.6	8.7
Benefits	2.5	2.1
Total Store Labor Expense	11.3	11.0
Advertising & Promotion	0.8	1.1
Occupancy (Excluding Utilities)	2.2	2.4
Utilities	0.7	1.0
Maintenance	0.5	0.7
Store Supplies	1.1	1.2
Interest	0.1	0.2
Other	3.1	2.2
Total Operating Expenses	20.2	21.3
Profit Before Tax	1.9	0.9

Source: Operating Results of Independent Supermarkets, 1988

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1988

SUPER STORES - - ALL STORES

	# STORES	TYPICAL	MIDDLE RANGE	
SALES DATA				
Percent Change from Previous Year	18	4.9%	0.9 -	7.6%
Average Transaction Size	19	$19.42	$17.08 -	24.00
Store Sales per Hour of Operation	21	$2,724	$2,462 -	4,033
Distribution of Sales:				
Grocery	21	47.0%	41.8 -	48.5%
Meat	21	14.8%	12.1 -	15.6%
Produce	21	8.6%	7.1 -	9.1%
General Merchandise/HaBA	21	6.1%	3.6 -	8.1%
Beer/Wine	21	2.3%	0.0 -	5.0%
Service Deli	21	4.3%	3.1 -	5.4%
Scratch/ Bake-Off Bakery	21	2.4%	1.5 -	3.5%
Frozen Food	21	4.4%	0.0 -	7.3%
Dairy	21	6.9%	0.0 -	9.6%
Other	21	3.1%	1.1 -	5.2%
Total	21	100.0%	100.0 -	100.0%
INCOME STATEMENT DATA (As a % of Sales)				
Sales:				
Grocery	21	72.3%	67.5 -	76.8%
Meat	21	19.1%	15.7 -	21.7%
Produce	21	8.6%	7.1 -	9.1%
Total Sales	21	100.0%	100.0 -	100.0%
Gross Margins:				
Grocery	21	20.8%	18.5 -	23.6%
Meat	21	25.7%	22.9 -	26.6%
Produce	21	29.9%	26.8 -	33.5%
Total Gross Margin	21	22.1%	20.5 -	25.5%
Operating Expenses:				
Store Labor:				
Regular	21	8.6%	7.6 -	10.5%
Benefits	21	2.5%	1.1 -	3.3%
Total Store Labor Expense	21	11.2%	9.0 -	13.0%
Advertising & Promotion	21	1.1%	0.7 -	1.2%
Occupancy (Excluding Utilities)	21	2.3%	1.6 -	2.5%
Utilities	21	0.8%	0.7 -	1.1%
Maintenance	21	0.6%	0.4 -	0.7%
Store Supplies	21	1.1%	1.0 -	1.3%
Interest	21	0.2%	0.0 -	0.6%
Other	21	2.7%	1.6 -	4.0%
Total Operating Expenses	21	20.9%	19.0 -	23.6%
Profit Before Tax	21	1.1%	0.9 -	1.9%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1988

SUPER STORES - - ALL STORES

	# STORES	TYPICAL	MIDDLE RANGE
PRODUCTIVITY DATA			
Personnel Productivity			
Sales per Labor Hour	18	$95.16	$86.82 - 103.62
Gross Margin per Labor Hour	18	$21.06	$16.26 - 24.37
Profit Before Tax per Labor Hour	18	$1.07	$0.80 - 2.01
Sales per Labor Dollar	21	$11.58	$9.55 - 13.13
Gross Margin per Labor Dollar	21	$2.56	$2.33 - 2.84
Transactions per Labor Hour	18	4.4	3.6 - 4.8
Payroll per Labor Hour	18	$8.30	$6.11 - 9.52
Benefits per Labor Hour	18	$2.36	$1.09 - 3.07
Payroll to Total Expenses	21	41.4%	40.0 - 47.6%
Benefits to Total Expenses	21	11.1%	7.2 - 13.5%
Payroll per Hour of Operation	21	$245.25	$186.87 - 483.38
Space Productivity			
Total Store Area:			
Average Square Footage	21	45,135	44,000 - 53,630
Weekly Sales per Square Foot	21	$8.17	$5.95 - 10.01
Weekly Gross Margin per Square Foot	21	$1.54	$1.32 - 2.64
Weekly Profit Before Tax per Sq Ft	21	$0.11	$0.06 - 0.22
Selling Area:			
Average Square Footage	21	34,300	30,260 - 37,000
Weekly Sales per Square Foot	21	$10.11	$8.85 - 13.40
Weekly Gross Margin per Square Foot	21	$2.39	$1.65 - 3.66
Weekly Profit Before Tax per Sq Ft	21	$0.15	$0.08 - 0.32
Average Weekly Sales per Store	21	$352,682	$296,746 - 451,683
Number of Checkouts	20	13	10 - 13
Weekly Sales per Checkout	20	$30,289	$26,700 - 32,635
Weekly Transactions per Checkout	19	1,485	1,141 - 1,856
Selling Square Footage per Checkout	20	2,961	2,468 - 3,388
Occupancy Cost (incl utilities) per Sq Ft	21	$12.54	$10.44 - 13.87
Occupancy Cost (incl util) to Total Expense	21	15.2%	9.2 - 19.6%
Transactions per Square Foot of Selling Area	19	0.49	0.42 - 0.67
Transactions per 1000 Selling Sq Ft per Hour	19	4.86	3.99 - 5.37
Percentage of Selling Area to Total Area	21	75.1%	71.4 - 80.0%
Inventory Dollars per Sq Ft of Selling Area	21	$21.46	$18.29 - 26.41

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1988

SUPER STORES - - ALL STORES

	# STORES	TYPICAL	MIDDLE RANGE
Inventory Productivity			
Gross Margin:			
Grocery	21	18.9%	17.1 - 20.5%
Meat	21	22.0%	20.2 - 23.4%
Produce	21	29.9%	26.8 - 33.5%
General Merchandise/HaBA	17	25.2%	25.0 - 30.5%
Beer/Wine	9	16.6%	12.5 - 17.5%
Service Deli	19	37.1%	30.2 - 41.1%
Scratch/Bake-Off Bakery	18	43.6%	26.6 - 64.1%
Frozen Food	13	25.0%	21.6 - 26.2%
Dairy	14	18.5%	14.6 - 22.3%
Other	18	31.6%	25.0 - 43.8%
Total Gross Margin	21	22.1%	20.5 - 25.5%
Annual Inventory Turnover:			
Grocery	20	18.7X	15.6 - 23.8X
Meat	20	58.9X	42.6 - 70.7X
Produce	20	64.1X	55.0 - 93.9X
General Merchandise/HaBA	16	7.4X	6.7 - 9.1X
Beer/Wine	8	9.2X	7.9 - 10.4X
Service Deli	18	30.5X	25.0 - 33.8X
Scratch/Bake-Off Bakery	17	30.9X	22.8 - 87.0X
Frozen Food	12	24.8X	19.6 - 28.8X
Dairy	12	44.4X	37.8 - 51.9X
Other	17	10.3X	6.1 - 12.1X
Total Inventory Turnover	21	19.5X	16.9 - 22.8X
Gross Margin Return on Inventory (GMROI):			
Grocery	20	447.1%	362.6 - 504.6%
Meat	20	1,578.5%	1,211.2 - 2,003.9%
Produce	20	2,878.8%	2,169.2 - 3,838.4%
General Merchandise/HaBA	16	281.2%	257.1 - 305.1%
Beer/Wine	8	190.1%	146.1 - 234.0%
Service Deli	18	1,600.3%	1,278.8 - 2,543.9%
Scratch/Bake-Off Bakery	17	3,282.3%	2,344.4 - 4,507.4%
Frozen Food	12	645.0%	532.9 - 960.7%
Dairy	12	891.8%	746.0 - 1,293.1%
Other	17	578.8%	338.7 - 899.1%
Total GMROI	21	562.5%	476.2 - 719.5%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1988

SUPER STORES - - ALL STORES

	# STORES	TYPICAL	MIDDLE RANGE
SALES, MARGINS & TURNOVER BY MAJOR DEPARTMENT			
Distribution of Sales:			
Grocery	21	72.3%	67.5 - 76.8%
Meat	21	19.1%	15.7 - 21.7%
Produce	21	8.6%	7.1 - 9.1%
Total Sales	21	100.0%	100.0 - 100.0%
Gross Margin Percent:			
Grocery	21	20.8%	18.5 - 23.6%
Meat	21	25.7%	22.9 - 26.6%
Produce	21	29.9%	26.8 - 33.5%
Total Gross Margin	21	22.1%	20.5 - 25.5%
Annual Inventory Turnover:			
Grocery	20	16.6X	14.2 - 18.7X
Meat	20	47.5X	35.3 - 60.6X
Produce	20	64.1X	55.0 - 93.9X
Total Inventory Turnover	21	19.5X	16.9 - 22.8X
Gross Margin Return on Inventory (GMROI):			
Grocery	20	440.4%	349.7 - 525.5%
Meat	20	1,615.1%	1,313.1 - 2,126.9%
Produce	20	2,878.8%	2,169.2 - 3,838.4%
Total GMROI	21	562.5%	476.2 - 719.5%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1988

SUPER STORES - - WEEKLY SALES UNDER $325,000

	# STORES	TYPICAL	MIDDLE RANGE
SALES DATA			
Percent Change from Previous Year	8	4.9%	3.3 - 6.9%
Average Transaction Size	8	$19.29	$15.68 - 21.56
Store Sales per Hour of Operation	9	$2,253	$2,054 - 2,724
Distribution of Sales:			
Grocery	9	51.6%	43.7 - 59.1%
Meat	9	16.1%	12.5 - 16.5%
Produce	9	8.6%	7.4 - 8.7%
General Merchandise/HaBA	9	3.3%	0.0 - 4.9%
Beer/Wine	9	1.5%	0.0 - 3.0%
Service Deli	9	4.1%	3.2 - 4.5%
Scratch/ Bake-Off Bakery	9	2.7%	1.5 - 4.0%
Frozen Food	9	3.4%	0.0 - 6.9%
Dairy	9	7.2%	0.0 - 8.9%
Other	9	1.5%	0.7 - 1.8%
Total	9	100.0%	100.0 - 100.0%
INCOME STATEMENT DATA (As a % of Sales)			
Sales:			
Grocery	9	71.3%	67.5 - 75.2%
Meat	9	20.1%	16.7 - 24.0%
Produce	9	8.6%	7.4 - 8.7%
Total Sales	9	100.0%	100.0 - 100.0%
Gross Margins:			
Grocery	9	19.9%	17.9 - 20.8%
Meat	9	24.2%	22.9 - 26.5%
Produce	9	30.8%	25.0 - 33.6%
Total Gross Margin	9	21.8%	19.9 - 22.4%
Operating Expenses:			
Store Labor:			
Regular	9	8.1%	7.3 - 10.5%
Benefits	9	1.7%	1.1 - 2.2%
Total Store Labor Expense	9	9.8%	8.7 - 13.0%
Advertising & Promotion	9	1.1%	0.8 - 1.2%
Occupancy (Excluding Utilities)	9	2.5%	1.6 - 3.1%
Utilities	9	1.1%	0.8 - 1.3%
Maintenance	9	0.5%	0.4 - 0.6%
Store Supplies	9	1.0%	0.9 - 1.5%
Interest	9	0.1%	0.0 - 0.6%
Other	9	1.9%	1.3 - 2.7%
Total Operating Expenses	9	19.5%	18.5 - 21.4%
Profit Before Tax	9	1.0%	0.6 - 3.3%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1988

SUPER STORES - - WEEKLY SALES UNDER $325,000

	# STORES	TYPICAL	MIDDLE RANGE
PRODUCTIVITY DATA			
Personnel Productivity			
Sales per Labor Hour	8	$87.09	$82.70 - 97.70
Gross Margin per Labor Hour	8	$18.57	$15.08 - 20.94
Profit Before Tax per Labor Hour	8	$0.95	$0.68 - 3.58
Sales per Labor Dollar	9	$12.36	$9.55 - 13.65
Gross Margin per Labor Dollar	9	$2.44	$2.28 - 2.69
Transactions per Labor Hour	8	4.5	4.2 - 6.3
Payroll per Labor Hour	8	$6.90	$5.40 - 8.22
Benefits per Labor Hour	8	$1.13	$0.89 - 2.37
Payroll to Total Expenses	9	41.4%	40.0 - 48.0%
Benefits to Total Expenses	9	8.5%	5.4 - 11.1%
Payroll per Hour of Operation	9	$209.50	$165.08 - 240.38
Space Productivity			
Total Store Area:			
Average Square Footage	9	44,000	38,500 - 47,700
Weekly Sales per Square Foot	9	$6.45	$5.50 - 7.07
Weekly Gross Margin per Square Foot	9	$1.32	$1.19 - 1.45
Weekly Profit Before Tax per Sq Ft	9	$0.07	$0.03 - 0.22
Selling Area:			
Average Square Footage	9	34,000	30,000 - 35,000
Weekly Sales per Square Foot	9	$8.85	$6.25 - 9.69
Weekly Gross Margin per Square Foot	9	$1.66	$1.37 - 2.02
Weekly Profit Before Tax per Sq Ft	9	$0.08	$0.04 - 0.32
Average Weekly Sales per Store	9	$283,930	$258,239 - 303,297
Number of Checkouts	8	10	9 - 10
Weekly Sales per Checkout	8	$30,611	$24,046 - 32,229
Weekly Transactions per Checkout	8	1,444	1,274 - 1,764
Selling Square Footage per Checkout	8	3,367	3,192 - 3,625
Occupancy Cost (incl utilities) per Sq Ft	9	$12.54	$10.44 - 13.73
Occupancy Cost (incl util) to Total Expense	9	19.6%	16.4 - 21.6%
Transactions per Square Foot of Selling Area	8	0.45	0.39 - 0.48
Transactions per 1000 Selling Sq Ft per Hour	8	3.99	3.02 - 4.80
Percentage of Selling Area to Total Area	9	77.8%	71.4 - 88.0%
Inventory Dollars per Sq Ft of Selling Area	9	$18.29	$17.28 - 20.96

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1988

SUPER STORES - - WEEKLY SALES UNDER $325,000

	# STORES	TYPICAL	MIDDLE RANGE
Inventory Productivity			
Gross Margin:			
Grocery	9	18.8%	17.7 - 19.8%
Meat	9	21.6%	20.1 - 23.7%
Produce	9	30.8%	25.0 - 33.6%
General Merchandise/HaBA	5	25.0%	
Beer/Wine	0	INSUFFICIENT DATA	
Service Deli	8	30.2%	28.8 - 39.2%
Scratch/Bake-Off Bakery	7	35.0%	25.2 - 65.9%
Frozen Food	0	INSUFFICIENT DATA	
Dairy	5	18.0%	
Other	7	24.4%	15.6 - 27.8%
Total Gross Margin	9	21.8%	19.9 - 22.4%
Annual Inventory Turnover:			
Grocery	8	15.6X	13.9 - 19.8X
Meat	8	52.8X	40.7 - 60.1X
Produce	8	49.1X	43.8 - 68.6X
General Merchandise/HaBA	0	INSUFFICIENT DATA	
Beer/Wine	0	INSUFFICIENT DATA	
Service Deli	7	32.3X	31.0 - 38.5X
Scratch/Bake-Off Bakery	6	54.9X	
Frozen Food	0	INSUFFICIENT DATA	
Dairy	0	INSUFFICIENT DATA	
Other	6	6.2X	
Total Inventory Turnover	9	17.2X	16.9 - 19.5X
Gross Margin Return on Inventory (GMROI):			
Grocery	8	376.6%	324.3 - 452.3%
Meat	8	1,466.8%	1,013.8 - 1,729.8%
Produce	8	2,105.7%	1,920.1 - 2,591.1%
General Merchandise/HaBA	0	INSUFFICIENT DATA	
Beer/Wine	0	INSUFFICIENT DATA	
Service Deli	7	1,516.8%	1,326.2 - 2,581.7%
Scratch/Bake-Off Bakery	6	4,423.8%	
Frozen Food	0	INSUFFICIENT DATA	
Dairy	0	INSUFFICIENT DATA	
Other	6	216.2%	
Total GMROI	9	479.1%	450.2 - 502.1%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1988

SUPER STORES - - WEEKLY SALES UNDER $325,000

SALES, MARGINS & TURNOVER BY MAJOR DEPARTMENT

	# STORES	TYPICAL	MIDDLE RANGE	
Distribution of Sales:				
Grocery	9	71.3%	67.5 -	75.2%
Meat	9	20.1%	16.7 -	24.0%
Produce	9	8.6%	7.4 -	8.7%
Total Sales	9	100.0%	100.0 -	100.0%
Gross Margin Percent:				
Grocery	9	19.9%	17.9 -	20.8%
Meat	9	24.2%	22.9 -	26.5%
Produce	9	30.8%	25.0 -	33.6%
Total Gross Margin	9	21.8%	19.9 -	22.4%
Annual Inventory Turnover:				
Grocery	8	14.5X	14.0 -	16.7X
Meat	8	44.5X	40.8 -	52.8X
Produce	8	49.1X	43.8 -	68.6X
Total Inventory Turnover	9	17.2X	16.9 -	19.5X
Gross Margin Return on Inventory (GMROI):				
Grocery	8	347.8%	329.0 -	394.1%
Meat	8	1,442.9%	1,380.9 -	1,581.3%
Produce	8	2,105.7%	1,920.1 -	2,591.1%
Total GMROI	9	479.1%	450.2 -	502.1%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1988

SUPER STORES - - WEEKLY SALES OVER $325,000

	# STORES	TYPICAL	MIDDLE RANGE
SALES DATA			
Percent Change from Previous Year	10	3.1%	-6.7 - 7.6%
Average Transaction Size	11	$20.24	$17.87 - 30.87
Store Sales per Hour of Operation	12	$4,004	$2,683 - 5,612
Distribution of Sales:			
Grocery	12	43.6%	41.1 - 46.6%
Meat	12	13.9%	11.2 - 15.2%
Produce	12	8.6%	7.1 - 9.7%
General Merchandise/HaBA	12	8.2%	6.3 - 10.4%
Beer/Wine	12	2.8%	0.0 - 5.5%
Service Deli	12	4.5%	2.8 - 5.6%
Scratch/ Bake-Off Bakery	12	2.2%	1.4 - 3.2%
Frozen Food	12	5.3%	3.5 - 7.7%
Dairy	12	6.7%	3.4 - 9.6%
Other	12	4.3%	1.9 - 6.1%
Total	12	100.0%	100.0 - 100.0%
INCOME STATEMENT DATA (As a % of Sales)			
Sales:			
Grocery	12	73.1%	69.8 - 78.2%
Meat	12	18.4%	14.8 - 20.8%
Produce	12	8.6%	7.1 - 9.7%
Total Sales	12	100.0%	100.0 - 100.0%
Gross Margins:			
Grocery	12	22.2%	20.4 - 25.3%
Meat	12	25.9%	24.8 - 26.6%
Produce	12	29.4%	27.0 - 32.5%
Total Gross Margin	12	24.1%	21.9 - 25.8%
Operating Expenses:			
Store Labor:			
Regular	12	8.7%	8.4 - 10.1%
Benefits	12	2.7%	2.2 - 3.8%
Total Store Labor Expense	12	11.3%	10.5 - 13.9%
Advertising & Promotion	12	0.9%	0.5 - 1.2%
Occupancy (Excluding Utilities)	12	2.1%	1.8 - 2.4%
Utilities	12	0.7%	0.6 - 0.8%
Maintenance	12	0.7%	0.5 - 0.9%
Store Supplies	12	1.2%	1.1 - 1.3%
Interest	12	0.2%	0.0 - 0.5%
Other	12	3.6%	1.6 - 4.5%
Total Operating Expenses	12	21.8%	20.0 - 24.5%
Profit Before Tax	12	1.1%	1.0 - 1.9%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1988

SUPER STORES - - WEEKLY SALES OVER $325,000

PRODUCTIVITY DATA

	# STORES	TYPICAL	MIDDLE RANGE
Personnel Productivity			
Sales per Labor Hour	10	$96.61	$89.78 - 107.54
Gross Margin per Labor Hour	10	$23.62	$20.75 - 24.84
Profit Before Tax per Labor Hour	10	$1.22	$0.96 - 1.77
Sales per Labor Dollar	12	$11.53	$9.96 - 11.97
Gross Margin per Labor Dollar	12	$2.61	$2.41 - 2.85
Transactions per Labor Hour	10	3.9	3.6 - 4.7
Payroll per Labor Hour	10	$9.25	$7.85 - 10.12
Benefits per Labor Hour	10	$2.92	$2.16 - 3.24
Payroll to Total Expenses	12	41.6%	39.5 - 45.7%
Benefits to Total Expenses	12	12.7%	9.8 - 16.3%
Payroll per Hour of Operation	12	$420.58	$240.54 - 501.88
Space Productivity			
Total Store Area:			
Average Square Footage	12	49,445	44,180 - 55,000
Weekly Sales per Square Foot	12	$9.89	$8.01 - 11.33
Weekly Gross Margin per Square Foot	12	$2.60	$1.73 - 2.79
Weekly Profit Before Tax per Sq Ft	12	$0.12	$0.07 - 0.22
Selling Area:			
Average Square Footage	12	35,029	32,686 - 41,017
Weekly Sales per Square Foot	12	$13.05	$11.16 - 15.32
Weekly Gross Margin per Square Foot	12	$3.47	$2.70 - 3.75
Weekly Profit Before Tax per Sq Ft	12	$0.16	$0.10 - 0.29
Average Weekly Sales per Store	12	$448,408	$402,968 - 502,322
Number of Checkouts	12	13	13 - 16
Weekly Sales per Checkout	12	$29,904	$27,094 - 35,276
Weekly Transactions per Checkout	11	1,485	1,027 - 1,856
Selling Square Footage per Checkout	12	2,530	2,117 - 2,865
Occupancy Cost (incl utilities) per Sq Ft	12	$12.52	$11.26 - 18.77
Occupancy Cost (incl util) to Total Expense	12	13.4%	9.0 - 15.0%
Transactions per Square Foot of Selling Area	11	0.56	0.50 - 0.71
Transactions per 1000 Selling Sq Ft per Hour	11	5.26	4.74 - 5.46
Percentage of Selling Area to Total Area	12	75.1%	70.6 - 78.9%
Inventory Dollars per Sq Ft of Selling Area	12	$24.84	$21.21 - 27.76

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1988

SUPER STORES - - WEEKLY SALES OVER $325,000

	# STORES	TYPICAL	MIDDLE RANGE
Inventory Productivity			
Gross Margin:			
Grocery	12	19.3%	16.1 - 21.2%
Meat	12	22.3%	20.5 - 23.1%
Produce	12	29.4%	27.0 - 32.5%
General Merchandise/HaBA	12	27.3%	25.1 - 30.5%
Beer/Wine	6	17.3%	
Service Deli	11	39.2%	35.7 - 42.9%
Scratch/Bake-Off Bakery	11	44.4%	34.7 - 60.3%
Frozen Food	9	25.6%	19.4 - 27.7%
Dairy	9	18.5%	14.5 - 22.5%
Other	11	38.4%	31.6 - 56.7%
Total Gross Margin	12	24.1%	21.9 - 25.8%
Annual Inventory Turnover:			
Grocery	12	21.6X	18.0 - 24.5X
Meat	12	67.7X	43.5 - 72.0X
Produce	12	79.0X	61.4 - 97.5X
General Merchandise/HaBA	12	7.1X	6.7 - 8.5X
Beer/Wine	6	9.2X	
Service Deli	11	25.1X	24.1 - 32.3X
Scratch/Bake-Off Bakery	11	30.9X	23.8 - 53.3X
Frozen Food	9	25.3X	19.9 - 32.2X
Dairy	9	42.4X	38.9 - 53.4X
Other	11	11.3X	7.9 - 12.1X
Total Inventory Turnover	12	21.2X	19.1 - 22.8X
Gross Margin Return on Inventory (GMROI):			
Grocery	12	501.5%	385.0 - 562.4%
Meat	12	1,827.0%	1,276.9 - 2,085.4%
Produce	12	3,285.2%	2,707.6 - 4,250.0%
General Merchandise/HaBA	12	281.8%	269.0 - 320.7%
Beer/Wine	6	226.5%	
Service Deli	11	1,618.5%	1,220.2 - 2,462.6%
Scratch/Bake-Off Bakery	11	2,646.8%	2,295.9 - 3,339.4%
Frozen Food	9	604.0%	556.4 - 1,110.8%
Dairy	9	887.0%	755.6 - 1,340.8%
Other	11	637.8%	480.4 - 1,215.6%
Total GMROI	12	695.3%	596.8 - 743.2%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1988

SUPER STORES - - WEEKLY SALES OVER $325,000

SALES, MARGINS & TURNOVER BY MAJOR DEPARTMENT

	# STORES	TYPICAL	MIDDLE RANGE	
Distribution of Sales:				
Grocery	12	73.1%	69.8 -	78.2%
Meat	12	18.4%	14.8 -	20.8%
Produce	12	8.6%	7.1 -	9.7%
Total Sales	12	100.0%	100.0 -	100.0%
Gross Margin Percent:				
Grocery	12	22.2%	20.4 -	25.3%
Meat	12	25.9%	24.8 -	26.6%
Produce	12	29.4%	27.0 -	32.5%
Total Gross Margin	12	24.1%	21.9 -	25.8%
Annual Inventory Turnover:				
Grocery	12	17.7X	15.6 -	18.7X
Meat	12	52.9X	35.3 -	62.2X
Produce	12	79.0X	61.4 -	97.5X
Total Inventory Turnover	12	21.2X	19.1 -	22.8X
Gross Margin Return on Inventory (GMROI):				
Grocery	12	512.5%	426.3 -	588.6%
Meat	12	1,996.1%	1,268.9 -	2,184.2%
Produce	12	3,285.2%	2,707.6 -	4,250.0%
Total GMROI	12	695.3%	596.8 -	743.2%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1988

SUPER STORES - - MOST PROFITABLE STORES

	# STORES	TYPICAL	MIDDLE RANGE	
SALES DATA				
Percent Change from Previous Year	11	4.8%	0.3 -	7.5%
Average Transaction Size	11	$21.06	$17.87 -	27.66
Store Sales per Hour of Operation	11	$2,799	$2,562 -	4,932
Distribution of Sales:				
Grocery	11	42.7%	39.8 -	44.7%
Meat	11	14.9%	11.4 -	15.7%
Produce	11	9.3%	7.5 -	11.4%
General Merchandise/HaBA	11	6.9%	4.4 -	9.6%
Beer/Wine	11	2.6%	0.0 -	4.6%
Service Deli	11	4.6%	3.1 -	5.6%
Scratch/ Bake-Off Bakery	11	2.5%	1.5 -	3.5%
Frozen Food	11	4.8%	2.2 -	7.5%
Dairy	11	8.2%	6.4 -	10.1%
Other	11	3.8%	1.2 -	6.2%
Total	11	100.0%	100.0 -	100.0%
INCOME STATEMENT DATA (As a % of Sales)				
Sales:				
Grocery	11	71.3%	66.8 -	76.8%
Meat	11	19.4%	15.6 -	21.7%
Produce	11	9.3%	7.5 -	11.4%
Total Sales	11	100.0%	100.0 -	100.0%
Gross Margins:				
Grocery	11	20.9%	19.9 -	24.4%
Meat	11	26.0%	23.0 -	26.6%
Produce	11	32.2%	27.2 -	33.8%
Total Gross Margin	11	22.6%	21.6 -	25.5%
Operating Expenses:				
Store Labor:				
Regular	11	8.6%	7.6 -	10.2%
Benefits	11	2.5%	1.7 -	3.1%
Total Store Labor Expense	11	11.3%	9.3 -	13.0%
Advertising & Promotion	11	0.8%	0.7 -	1.1%
Occupancy (Excluding Utilities)	11	2.2%	1.8 -	2.4%
Utilities	11	0.7%	0.7 -	0.8%
Maintenance	11	0.5%	0.4 -	0.7%
Store Supplies	11	1.1%	0.9 -	1.2%
Interest	11	0.1%	0.0 -	0.4%
Other	11	3.1%	1.5 -	4.0%
Total Operating Expenses	11	20.2%	18.8 -	23.5%
Profit Before Tax	11	1.9%	1.4 -	4.4%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1988

SUPER STORES - - MOST PROFITABLE STORES

	# STORES	TYPICAL	MIDDLE RANGE
PRODUCTIVITY DATA			
Personnel Productivity			
Sales per Labor Hour	10	$96.77	$95.12 - 107.54
Gross Margin per Labor Hour	10	$23.62	$20.42 - 25.53
Profit Before Tax per Labor Hour	10	$1.94	$1.44 - 4.03
Sales per Labor Dollar	11	$11.58	$9.84 - 13.11
Gross Margin per Labor Dollar	11	$2.66	$2.40 - 2.87
Transactions per Labor Hour	10	4.4	3.6 - 5.5
Payroll per Labor Hour	10	$8.87	$7.14 - 10.09
Benefits per Labor Hour	10	$2.76	$1.34 - 3.24
Payroll to Total Expenses	11	42.3%	40.8 - 46.4%
Benefits to Total Expenses	11	12.0%	9.3 - 14.5%
Payroll per Hour of Operation	11	$347.13	$216.06 - 484.26
Space Productivity			
Total Store Area:			
Average Square Footage	11	44,240	44,000 - 47,630
Weekly Sales per Square Foot	11	$9.78	$7.44 - 10.60
Weekly Gross Margin per Square Foot	11	$2.55	$1.60 - 2.77
Weekly Profit Before Tax per Sq Ft	11	$0.22	$0.14 - 0.34
Selling Area:			
Average Square Footage	11	34,000	31,003 - 36,000
Weekly Sales per Square Foot	11	$12.63	$9.90 - 14.28
Weekly Gross Margin per Square Foot	11	$3.23	$2.25 - 3.77
Weekly Profit Before Tax per Sq Ft	11	$0.32	$0.19 - 0.45
Average Weekly Sales per Store	11	$432,638	$327,990 - 461,535
Number of Checkouts	11	13	11 - 14
Weekly Sales per Checkout	11	$30,903	$27,835 - 34,374
Weekly Transactions per Checkout	11	1,485	1,027 - 1,856
Selling Square Footage per Checkout	11	2,615	2,395 - 3,294
Occupancy Cost (incl utilities) per Sq Ft	11	$12.70	$11.87 - 14.88
Occupancy Cost (incl util) to Total Expense	11	14.9%	11.0 - 17.8%
Transactions per Square Foot of Selling Area	11	0.53	0.43 - 0.74
Transactions per 1000 Selling Sq Ft per Hour	11	4.86	4.30 - 5.46
Percentage of Selling Area to Total Area	11	75.0%	70.9 - 79.1%
Inventory Dollars per Sq Ft of Selling Area	11	$23.71	$20.96 - 29.23

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1988

SUPER STORES - - MOST PROFITABLE STORES

	# STORES	TYPICAL	MIDDLE RANGE
Inventory Productivity			
Gross Margin:			
Grocery	11	19.6%	17.2 - 21.5%
Meat	11	22.0%	20.8 - 23.3%
Produce	11	32.2%	27.2 - 33.8%
General Merchandise/HaBA	10	27.3%	25.1 - 30.2%
Beer/Wine	6	16.8%	
Service Deli	10	36.3%	29.6 - 40.3%
Scratch/Bake-Off Bakery	10	43.6%	27.2 - 57.6%
Frozen Food	8	23.5%	21.0 - 25.8%
Dairy	9	20.1%	18.0 - 22.6%
Other	10	30.5%	19.7 - 37.8%
Total Gross Margin	11	22.6%	21.6 - 25.5%
Annual Inventory Turnover:			
Grocery	10	19.2X	18.0 - 23.5X
Meat	10	63.0X	43.9 - 72.7X
Produce	10	71.5X	59.8 - 96.1X
General Merchandise/HaBA	9	7.1X	6.9 - 8.1X
Beer/Wine	5	7.9X	
Service Deli	9	28.6X	25.0 - 33.9X
Scratch/Bake-Off Bakery	9	30.9X	24.8 - 87.0X
Frozen Food	7	24.2X	20.1 - 28.8X
Dairy	7	42.4X	39.0 - 54.8X
Other	9	11.3X	7.6 - 12.1X
Total Inventory Turnover	11	19.4X	16.5 - 22.6X
Gross Margin Return on Inventory (GMROI):			
Grocery	10	494.9%	452.0 - 541.2%
Meat	10	1,728.2%	1,320.8 - 2,049.8%
Produce	10	3,285.2%	2,368.5 - 4,066.3%
General Merchandise/HaBA	9	287.2%	263.6 - 320.6%
Beer/Wine	5	222.0%	
Service Deli	9	1,582.1%	1,377.2 - 2,299.9%
Scratch/Bake-Off Bakery	9	2,646.8%	2,183.9 - 3,396.5%
Frozen Food	7	686.1%	500.8 - 978.8%
Dairy	7	1,073.4%	771.2 - 1,352.4%
Other	9	637.8%	504.6 - 885.0%
Total GMROI	11	645.7%	431.8 - 731.2%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1988

SUPER STORES - - MOST PROFITABLE STORES

SALES, MARGINS & TURNOVER BY MAJOR DEPARTMENT

	# STORES	TYPICAL	MIDDLE RANGE
Distribution of Sales:			
Grocery	11	71.3%	66.8 - 76.8%
Meat	11	19.4%	15.6 - 21.7%
Produce	11	9.3%	7.5 - 11.4%
Total Sales	11	100.0%	100.0 - 100.0%
Gross Margin Percent:			
Grocery	11	20.9%	19.9 - 24.4%
Meat	11	26.0%	23.0 - 26.6%
Produce	11	32.2%	27.2 - 33.8%
Total Gross Margin	11	22.6%	21.6 - 25.5%
Annual Inventory Turnover:			
Grocery	10	16.6X	14.2 - 17.7X
Meat	10	52.4X	35.2 - 61.7X
Produce	10	71.5X	59.8 - 96.1X
Total Inventory Turnover	11	19.4X	16.5 - 22.6X
Gross Margin Return on Inventory (GMROI):			
Grocery	10	501.0%	378.5 - 537.0%
Meat	10	1,971.7%	1,290.5 - 2,151.3%
Produce	10	3,285.2%	2,368.5 - 4,066.3%
Total GMROI	11	645.7%	431.8 - 731.2%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1988

SUPER STORES - - LEAST PROFITABLE STORES

	# STORES	TYPICAL	MIDDLE RANGE
SALES DATA			
Percent Change from Previous Year	7	5.1%	1.8 - 8.0%
Average Transaction Size	8	$19.11	$16.18 - 20.33
Store Sales per Hour of Operation	10	$2,661	$2,243 - 3,385
Distribution of Sales:			
Grocery	10	51.9%	46.0 - 56.7%
Meat	10	14.8%	12.2 - 15.5%
Produce	10	7.8%	6.8 - 8.7%
General Merchandise/HaBA	10	5.3%	2.2 - 7.9%
Beer/Wine	10	1.9%	0.0 - 4.0%
Service Deli	10	4.0%	2.8 - 5.1%
Scratch/ Bake-Off Bakery	10	2.4%	1.6 - 3.5%
Frozen Food	10	4.1%	0.0 - 7.0%
Dairy	10	5.6%	0.0 - 8.9%
Other	10	2.3%	0.8 - 3.7%
Total	10	100.0%	100.0 - 100.0%
INCOME STATEMENT DATA (As a % of Sales)			
Sales:			
Grocery	10	73.4%	70.9 - 75.7%
Meat	10	18.8%	16.2 - 21.3%
Produce	10	7.8%	6.8 - 8.7%
Total Sales	10	100.0%	100.0 - 100.0%
Gross Margins:			
Grocery	10	20.3%	17.7 - 22.0%
Meat	10	24.9%	23.2 - 26.4%
Produce	10	29.1%	26.9 - 30.7%
Total Gross Margin	10	22.1%	19.9 - 22.8%
Operating Expenses:			
Store Labor:			
Regular	10	8.7%	7.7 - 10.3%
Benefits	10	2.1%	1.1 - 3.1%
Total Store Labor Expense	10	11.0%	9.0 - 13.5%
Advertising & Promotion	10	1.1%	0.7 - 1.5%
Occupancy (Excluding Utilities)	10	2.4%	1.5 - 3.0%
Utilities	10	1.0%	0.8 - 1.3%
Maintenance	10	0.7%	0.6 - 0.9%
Store Supplies	10	1.2%	1.0 - 1.4%
Interest	10	0.2%	0.1 - 0.8%
Other	10	2.2%	1.6 - 3.6%
Total Operating Expenses	10	21.3%	19.7 - 23.2%
Profit Before Tax	10	0.9%	0.0 - 1.0%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1988

SUPER STORES - - LEAST PROFITABLE STORES

	# STORES	TYPICAL	MIDDLE RANGE
PRODUCTIVITY DATA			
Personnel Productivity			
Sales per Labor Hour	8	$86.24	$69.58 - 91.51
Gross Margin per Labor Hour	8	$17.90	$15.08 - 21.51
Profit Before Tax per Labor Hour	8	$0.64	$0.28 - 0.93
Sales per Labor Dollar	10	$11.54	$9.75 - 12.94
Gross Margin per Labor Dollar	10	$2.50	$2.21 - 2.66
Transactions per Labor Hour	8	4.4	3.8 - 4.5
Payroll per Labor Hour	8	$7.36	$5.42 - 9.21
Benefits per Labor Hour	8	$1.59	$1.06 - 2.96
Payroll to Total Expenses	10	40.8%	39.3 - 47.2%
Benefits to Total Expenses	10	9.5%	5.9 - 12.9%
Payroll per Hour of Operation	10	$223.37	$192.28 - 259.44
Space Productivity			
Total Store Area:			
Average Square Footage	10	48,850	42,750 - 54,283
Weekly Sales per Square Foot	10	$6.97	$5.69 - 8.01
Weekly Gross Margin per Square Foot	10	$1.38	$1.29 - 1.54
Weekly Profit Before Tax per Sq Ft	10	$0.05	$0.00 - 0.07
Selling Area:			
Average Square Footage	10	34,650	31,000 - 39,156
Weekly Sales per Square Foot	10	$9.44	$7.86 - 10.65
Weekly Gross Margin per Square Foot	10	$1.82	$1.53 - 2.61
Weekly Profit Before Tax per Sq Ft	10	$0.07	$0.00 - 0.09
Average Weekly Sales per Store	10	$315,865	$280,520 - 392,030
Number of Checkouts	9	11	10 - 13
Weekly Sales per Checkout	9	$29,675	$25,175 - 32,212
Weekly Transactions per Checkout	8	1,420	1,274 - 1,748
Selling Square Footage per Checkout	9	3,000	2,922 - 3,400
Occupancy Cost (incl utilities) per Sq Ft	10	$12.51	$10.25 - 13.48
Occupancy Cost (incl util) to Total Expense	10	17.0%	10.6 - 21.1%
Transactions per Square Foot of Selling Area	8	0.48	0.42 - 0.57
Transactions per 1000 Selling Sq Ft per Hour	8	4.88	3.75 - 5.28
Percentage of Selling Area to Total Area	10	76.7%	71.6 - 86.0%
Inventory Dollars per Sq Ft of Selling Area	10	$18.94	$17.49 - 22.46

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1988

SUPER STORES - - LEAST PROFITABLE STORES

	# STORES	TYPICAL	MIDDLE RANGE
Inventory Productivity			
Gross Margin:			
Grocery	10	18.9%	16.5 - 19.6%
Meat	10	21.9%	19.7 - 23.3%
Produce	10	29.1%	26.9 - 30.7%
General Merchandise/HaBA	7	25.0%	23.4 - 27.9%
Beer/Wine	0	INSUFFICIENT DATA	
Service Deli	9	38.9%	31.2 - 41.6%
Scratch/Bake-Off Bakery	8	49.7%	28.1 - 65.5%
Frozen Food	5	25.1%	
Dairy	5	14.9%	
Other	8	34.2%	26.3 - 57.5%
Total Gross Margin	10	22.1%	19.9 - 22.8%
Annual Inventory Turnover:			
Grocery	10	17.7X	14.5 - 24.5X
Meat	10	53.8X	42.1 - 65.6X
Produce	10	62.4X	53.8 - 84.4X
General Merchandise/HaBA	7	8.0X	6.9 - 9.1X
Beer/Wine	0	INSUFFICIENT DATA	
Service Deli	9	31.0X	25.0 - 32.3X
Scratch/Bake-Off Bakery	8	28.0X	22.1 - 82.8X
Frozen Food	5	27.2X	
Dairy	5	46.3X	
Other	8	8.3X	4.5 - 13.6X
Total Inventory Turnover	10	20.0X	17.1 - 23.6X
Gross Margin Return on Inventory (GMROI):			
Grocery	10	376.6%	338.1 - 433.6%
Meat	10	1,563.9%	1,069.3 - 1,901.0%
Produce	10	2,332.5%	1,981.0 - 3,517.7%
General Merchandise/HaBA	7	273.0%	254.2 - 293.0%
Beer/Wine	0	INSUFFICIENT DATA	
Service Deli	9	2,163.3%	1,275.1 - 2,852.7%
Scratch/Bake-Off Bakery	8	3,662.3%	3,047.8 - 4,592.4%
Frozen Food	5	604.0%	
Dairy	5	887.0%	
Other	8	451.6%	301.5 - 955.9%
Total GMROI	10	531.8%	482.6 - 646.1%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1988

SUPER STORES - - LEAST PROFITABLE STORES

SALES, MARGINS & TURNOVER BY MAJOR DEPARTMENT

	# STORES	TYPICAL	MIDDLE RANGE
Distribution of Sales:			
Grocery	10	73.4%	70.9 - 75.7%
Meat	10	18.8%	16.2 - 21.3%
Produce	10	7.8%	6.8 - 8.7%
Total Sales	10	100.0%	100.0 - 100.0%
Gross Margin Percent:			
Grocery	10	20.3%	17.7 - 22.0%
Meat	10	24.9%	23.2 - 26.4%
Produce	10	29.1%	26.9 - 30.7%
Total Gross Margin	10	22.1%	19.9 - 22.8%
Annual Inventory Turnover:			
Grocery	10	16.5X	14.3 - 20.3X
Meat	10	44.5X	37.3 - 54.7X
Produce	10	62.4X	53.8 - 84.4X
Total Inventory Turnover	10	20.0X	17.1 - 23.6X
Gross Margin Return on Inventory (GMROI):			
Grocery	10	395.3%	345.7 - 499.8%
Meat	10	1,481.0%	1,342.6 - 1,822.6%
Produce	10	2,332.5%	1,981.0 - 3,517.7%
Total GMROI	10	531.8%	482.6 - 646.1%

Superette Stores

Overview of Performance--Superettes

In 1988, the typical superette store had weekly sales over $25,000 and a net profit before tax of 0.8%. Additional highlights of the superette stores' 1988 performance include:

- Sales per labor hour were over $65.00 with an average transaction of over $10.00.
- Nearly 80% of the total store area is used for selling space. The typical superette reported over 3,900 square feet of selling area and 5,000 square feet of total area.
- Typical inventory turnover reported was over 10 times and a gross profit margin of 22.0%. GMROI was 307% for the typical store.
- Total labor expenses absorbed less than 10% of sales while total operating expenses were reported at over 19%.

The following table highlights key ratio performance and five year comparisons for all superette store respondents participating in the FMI *Operating Results of Independent Supermarkets.*

All Responding Superette Store Operators
1984--1988

	1988	1987	1986	1985	1984
SALES DATA					
Average Weekly Sales per Store	$25,288	$27,065	$30,054	$27,212	$28,846
Sales per Labor Hour	$65.45	$67.31	$67.66	$67.82	$76.18
Average Transaction Size	$10.20	$6.63	$6.85	$7.26	$7.01
SPACE DATA					
Total Store Area (square feet)	5,000	7,350	6,000	6,000	7,500
Selling Area (square feet)	3,948	6,000	5,000	4,500	5,250
Weekly Sales per Sq. ft. of Selling Area	$5.37	$4.46	$4.73	$5.84	$5.16
INVENTORY DATA					
Inventory Turnover (times)	10.2x	10.8x	11.9x	13.4x	12.1x
Gross Profit Margin	22.2%	20.9%	20.3%	20.9%	20.8%
GMROI	307.3%	317.9%	306.8%	357.5%	339.2%
PROFIT DATA					
Net Profit Margin Before Tax	0.8%	0.6%	0.8%	1.5%	1.6%
OPERATING EXPENSE DATA (as a % of sales)					
Total Operating Expense	19.5%	19.1%	19.6%	20.4%	19.1%
Store Labor Expense:					
Direct/Regular	8.4%	9.1%	9.0%	8.2%	8.6%
Fringe Benefits	0.7%	0.7%	1.2%	1.0%	1.3%

Source: Operating Results of Independent Supermarkets, 1988

Superette Stores--Winners vs. Losers in 1988

One of the most beneficial tasks of studying industry performance statistics is to understand the operating characteristics of highly profitable stores. Within this section these are designated as the "Most Profitable Stores," which includes those stores that are among the upper 50 percent in terms of net profit before tax (located on the bottom of the income statement for each grouping).

An "understanding" of why the "winners" were successful can provide important clues into how a sub-par business can be improved. However, food retailers are cautioned not to make indiscriminate changes in their operations to conform to the industry profit leaders. Rather, many formulas for success exist and are specific to each individual situation. However, focusing attention on the characteristics of the high profit stores may be useful for identifying which business activities are most worthy of managerial attention.

Compared with the least profitable group of stores, the 1988 high performance stores exhibited:

- Higher gross margins in each of the three major departments of grocery, meat and produce resulting in a superior overall gross margin.
- Sales growth over 1987 levels was nearly double that of the least profitable (7.6 versus 3.8) group of stores and significantly higher sales per hour of operation ($362 versus $282).
- More productive personnel as measured sales per labor hour ($71.40 versus $65.45), however space utilization was slightly lower for the more profitable group with sales per square foot of selling area reported at $4.52 versus $7.05 for the least profitable group.

Stronger gross margin performance clearly differentiates the most profitable versus least profitable in the following income statements.

1988 Summary Income Statement
(Numbers Expressed as a % of Total Sales)

	Most Profitable Stores	Least Profitable Stores
Sales:		
Grocery	78.5%	76.9%
Meat	17.2	16.6
Produce	5.2	6.6
Total Sales	100.0%	100.0%
Gross Margins:		
Grocery	22.7%	19.5%
Meat	20.0	19.3
Produce	28.0	23.8
Total Gross Margin	23.7	19.9
Operating Expenses:		
Store Labor:		
Regular	8.8	7.9
Benefits	0.3	0.7
Total Store Labor Expense	9.0	9.8
Advertising & Promotion	1.1	1.2
Occupancy (Excluding Utilities)	1.9	1.8
Utilities	1.7	1.5
Maintenance	0.9	0.4
Store Supplies	1.0	0.8
Interest	0.5	0.1
Other	3.0	4.1
Total Operating Expenses	20.0	19.9
Profit Before Tax	2.8	0.0

Source: Operating Results of Independent Supermarkets, 1988

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1988

SUPERETTE STORES - - ALL STORES

SALES DATA

	# STORES	TYPICAL	MIDDLE RANGE
Percent Change from Previous Year	14	4.1%	1.6 - 12.6%
Average Transaction Size	11	$10.20	$9.10 - 10.75
Store Sales per Hour of Operation	14	$293	$254 - 368
Distribution of Sales:			
Grocery	14	52.4%	42.6 - 59.0%
Meat	14	18.3%	11.4 - 19.1%
Produce	14	6.3%	4.9 - 6.4%
General Merchandise/HaBA	14	5.9%	0.0 - 11.0%
Beer/Wine	14	0.5%	0.0 - 0.1%
Service Deli	14	1.7%	0.0 - 0.0%
Scratch/ Bake-Off Bakery	14	0.1%	0.0 - 0.0%
Frozen Food	14	3.0%	0.0 - 4.4%
Dairy	14	5.7%	0.0 - 9.7%
Other	14	6.2%	0.0 - 9.1%
Total	14	100.0%	100.0 - 100.0%

INCOME STATEMENT DATA (As a % of Sales)

	# STORES	TYPICAL	MIDDLE RANGE
Sales:			
Grocery	14	73.8%	72.9 - 80.7%
Meat	14	19.9%	13.9 - 21.5%
Produce	14	6.3%	4.9 - 6.4%
Total Sales	14	100.0%	100.0 - 100.0%
Gross Margins:			
Grocery	14	21.0%	18.8 - 25.6%
Meat	13	20.0%	18.0 - 22.4%
Produce	13	27.3%	22.8 - 28.5%
Total Gross Margin	14	22.2%	19.3 - 24.9%
Operating Expenses:			
Store Labor:			
Regular	14	8.4%	7.8 - 10.5%
Benefits	14	0.7%	0.1 - 1.7%
Total Store Labor Expense	14	9.6%	8.3 - 11.3%
Advertising & Promotion	14	1.1%	0.8 - 1.4%
Occupancy (Excluding Utilities)	14	1.9%	1.1 - 2.3%
Utilities	14	1.6%	1.4 - 2.2%
Maintenance	14	0.9%	0.4 - 1.1%
Store Supplies	14	0.9%	0.8 - 1.1%
Interest	14	0.4%	0.0 - 0.5%
Other	14	3.1%	1.8 - 4.6%
Total Operating Expenses	14	19.9%	19.5 - 23.1%
Profit Before Tax	14	0.8%	0.1 - 2.5%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1988

SUPERETTE STORES - - ALL STORES

	# STORES	TYPICAL	MIDDLE RANGE
PRODUCTIVITY DATA			
Personnel Productivity			
Sales per Labor Hour	11	$65.45	$60.45 - 84.16
Gross Margin per Labor Hour	11	$14.98	$13.74 - 17.27
Profit Before Tax per Labor Hour	11	$0.67	$0.23 - 2.48
Sales per Labor Dollar	14	$11.92	$9.56 - 12.75
Gross Margin per Labor Dollar	14	$2.42	$2.01 - 2.75
Transactions per Labor Hour	9	7.0	6.1 - 8.8
Payroll per Labor Hour	11	$7.08	$5.97 - 8.07
Benefits per Labor Hour	8	$0.59	$0.39 - 1.15
Payroll to Total Expenses	14	42.8%	40.7 - 48.4%
Benefits to Total Expenses	10	5.0%	3.2 - 9.6%
Payroll per Hour of Operation	14	$22.56	$20.22 - 36.88
Space Productivity			
Total Store Area:			
Average Square Footage	14	5,000	4,826 - 8,000
Weekly Sales per Square Foot	14	$4.40	$3.50 - 4.92
Weekly Gross Margin per Square Foot	14	$0.95	$0.66 - 1.06
Weekly Profit Before Tax per Sq Ft	14	$0.03	$0.01 - 0.06
Selling Area:			
Average Square Footage	14	3,948	3,015 - 5,750
Weekly Sales per Square Foot	14	$5.37	$4.54 - 7.82
Weekly Gross Margin per Square Foot	14	$1.26	$0.83 - 1.59
Weekly Profit Before Tax per Sq Ft	14	$0.05	$0.01 - 0.07
Average Weekly Sales per Store	14	$25,288	$18,978 - 30,144
Number of Checkouts	13	3	2 - 3
Weekly Sales per Checkout	13	$9,871	$8,413 - 11,611
Weekly Transactions per Checkout	10	1,125	719 - 1,344
Selling Square Footage per Checkout	13	1,667	1,500 - 2,000
Occupancy Cost (incl utilities) per Sq Ft	14	$7.12	$5.29 - 8.56
Occupancy Cost (incl util) to Total Expense	14	17.7%	14.5 - 20.6%
Transactions per Square Foot of Selling Area	11	0.59	0.42 - 0.72
Transactions per 1000 Selling Sq Ft per Hour	11	7.43	4.97 - 9.96
Percentage of Selling Area to Total Area	14	73.2%	63.1 - 82.8%
Inventory Dollars per Sq Ft of Selling Area	14	$20.82	$18.36 - 22.96

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1988

SUPERETTE STORES - - ALL STORES

	# STORES	TYPICAL	MIDDLE RANGE
Inventory Productivity			
Gross Margin:			
Grocery	14	20.6%	19.2 - 21.0%
Meat	13	18.9%	17.5 - 20.0%
Produce	13	27.3%	22.8 - 28.5%
General Merchandise/HaBA	9	32.7%	27.0 - 33.7%
Beer/Wine	0	INSUFFICIENT DATA	
Service Deli	0	INSUFFICIENT DATA	
Scratch/Bake-Off Bakery	0	INSUFFICIENT DATA	
Frozen Food	5	30.0%	
Dairy	8	20.0%	17.4 - 20.1%
Other	7	18.3%	14.4 - 25.9%
Total Gross Margin	14	22.2%	19.3 - 24.9%
Annual Inventory Turnover:			
Grocery	14	8.1X	6.0 - 11.2X
Meat	13	28.8X	22.7 - 59.4X
Produce	13	57.2X	30.8 - 61.7X
General Merchandise/HaBA	9	4.7X	3.1 - 7.1X
Beer/Wine	0	INSUFFICIENT DATA	
Service Deli	0	INSUFFICIENT DATA	
Scratch/Bake-Off Bakery	0	INSUFFICIENT DATA	
Frozen Food	5	9.0X	
Dairy	8	40.3X	33.1 - 44.0X
Other	6	18.7X	
Total Inventory Turnover	14	10.2X	8.5 - 14.3X
Gross Margin Return on Inventory (GMROI):			
Grocery	14	235.0%	137.4 - 268.5%
Meat	13	634.2%	443.3 - 1,158.1%
Produce	13	1,862.3%	1,164.5 - 2,289.1%
General Merchandise/HaBA	9	211.0%	132.9 - 263.4%
Beer/Wine	0	INSUFFICIENT DATA	
Service Deli	0	INSUFFICIENT DATA	
Scratch/Bake-Off Bakery	0	INSUFFICIENT DATA	
Frozen Food	5	252.0%	
Dairy	8	1,039.1%	941.5 - 1,054.5%
Other	6	268.6%	
Total GMROI	14	307.3%	219.8 - 354.2%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1988

SUPERETTE STORES - - ALL STORES

SALES, MARGINS & TURNOVER BY MAJOR DEPARTMENT

	# STORES	TYPICAL	MIDDLE RANGE
Distribution of Sales:			
Grocery	14	73.8%	72.9 - 80.7%
Meat	14	19.9%	13.9 - 21.5%
Produce	14	6.3%	4.9 - 6.4%
Total Sales	14	100.0%	100.0 - 100.0%
Gross Margin Percent:			
Grocery	14	21.0%	18.8 - 25.6%
Meat	13	20.0%	18.0 - 22.4%
Produce	13	27.3%	22.8 - 28.5%
Total Gross Margin	14	22.2%	19.3 - 24.9%
Annual Inventory Turnover:			
Grocery	14	8.4X	7.0 - 11.1X
Meat	13	27.2X	20.5 - 59.4X
Produce	13	57.2X	30.8 - 61.7X
Total Inventory Turnover	14	10.2X	8.5 - 14.3X
Gross Margin Return on Inventory (GMROI):			
Grocery	14	235.7%	155.4 - 286.6%
Meat	13	720.0%	497.5 - 1,038.8%
Produce	13	1,862.3%	1,164.5 - 2,289.1%
Total GMROI	14	307.3%	219.8 - 354.2%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1988

SUPERETTE STORES - - MOST PROFITABLE STORES

	# STORES	TYPICAL	MIDDLE RANGE
SALES DATA			
Percent Change from Previous Year	7	7.6%	2.9 - 16.2%
Average Transaction Size	7	$9.23	$8.33 - 10.34
Store Sales per Hour of Operation	7	$362	$263 - 395
Distribution of Sales:			
Grocery	7	50.5%	43.3 - 53.4%
Meat	7	17.3%	14.1 - 18.5%
Produce	7	5.2%	5.0 - 5.5%
General Merchandise/HaBA	7	7.9%	3.2 - 12.8%
Beer/Wine	7	0.1%	0.0 - 0.1%
Service Deli	7	3.4%	0.0 - 6.7%
Scratch/ Bake-Off Bakery	7	0.3%	0.0 - 0.0%
Frozen Food	7	5.3%	0.0 - 9.5%
Dairy	7	5.4%	1.8 - 9.5%
Other	7	4.8%	0.0 - 9.4%
Total	7	100.0%	100.0 - 100.0%
INCOME STATEMENT DATA (As a % of Sales)			
Sales:			
Grocery	7	74.2%	73.4 - 79.8%
Meat	7	20.6%	15.1 - 20.9%
Produce	7	5.2%	5.0 - 5.5%
Total Sales	7	100.0%	100.0 - 100.0%
Gross Margins:			
Grocery	7	22.7%	21.0 - 24.8%
Meat	7	20.0%	19.0 - 26.3%
Produce	7	28.0%	26.2 - 29.3%
Total Gross Margin	7	23.7%	22.2 - 25.8%
Operating Expenses:			
Store Labor:			
Regular	7	8.8%	7.9 - 9.3%
Benefits	7	0.3%	0.0 - 1.1%
Total Store Labor Expense	7	9.0%	8.1 - 10.7%
Advertising & Promotion	7	1.1%	1.0 - 1.1%
Occupancy (Excluding Utilities)	7	1.9%	1.0 - 2.1%
Utilities	7	1.7%	1.5 - 2.4%
Maintenance	7	0.9%	0.6 - 1.2%
Store Supplies	7	1.0%	0.9 - 1.1%
Interest	7	0.5%	0.2 - 1.7%
Other	7	3.0%	1.1 - 3.4%
Total Operating Expenses	7	20.0%	19.6 - 21.2%
Profit Before Tax	7	2.8%	1.4 - 3.9%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1988

SUPERETTE STORES - - MOST PROFITABLE STORES

	# STORES	TYPICAL	MIDDLE RANGE
PRODUCTIVITY DATA			
Personnel Productivity			
Sales per Labor Hour	6	$71.40	
Gross Margin per Labor Hour	6	$16.30	
Profit Before Tax per Labor Hour	6	$2.48	
Sales per Labor Dollar	7	$11.34	$10.80 - 12.59
Gross Margin per Labor Dollar	7	$2.51	$2.42 - 2.90
Transactions per Labor Hour	6	8.2	
Payroll per Labor Hour	6	$7.36	
Benefits per Labor Hour	0	INSUFFICIENT DATA	
Payroll to Total Expenses	7	42.8%	41.0 - 45.8%
Benefits to Total Expenses	0	INSUFFICIENT DATA	
Payroll per Hour of Operation	7	$32.67	$20.86 - 40.04
Space Productivity			
Total Store Area:			
Average Square Footage	7	8,000	5,000 - 17,000
Weekly Sales per Square Foot	7	$3.62	$2.20 - 4.43
Weekly Gross Margin per Square Foot	7	$0.64	$0.52 - 1.02
Weekly Profit Before Tax per Sq Ft	7	$0.07	$0.04 - 0.08
Selling Area:			
Average Square Footage	7	5,000	3,948 - 14,000
Weekly Sales per Square Foot	7	$4.52	$2.84 - 6.26
Weekly Gross Margin per Square Foot	7	$0.85	$0.64 - 1.43
Weekly Profit Before Tax per Sq Ft	7	$0.08	$0.06 - 0.12
Average Weekly Sales per Store	7	$24,393	$22,358 - 34,243
Number of Checkouts	7	3	2 - 4
Weekly Sales per Checkout	7	$10,820	$8,729 - 11,904
Weekly Transactions per Checkout	7	1,143	966 - 1,295
Selling Square Footage per Checkout	7	2,000	1,807 - 3,229
Occupancy Cost (incl utilities) per Sq Ft	7	$5.28	$4.47 - 6.04
Occupancy Cost (incl util) to Total Expense	7	17.9%	11.9 - 22.3%
Transactions per Square Foot of Selling Area	7	0.59	0.30 - 0.71
Transactions per 1000 Selling Sq Ft per Hour	7	7.43	3.52 - 8.94
Percentage of Selling Area to Total Area	7	71.4%	62.5 - 80.6%
Inventory Dollars per Sq Ft of Selling Area	7	$17.95	$15.47 - 23.80

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1988

SUPERETTE STORES - - MOST PROFITABLE STORES

	# STORES	TYPICAL	MIDDLE RANGE
Inventory Productivity			
Gross Margin:			
Grocery	7	20.9%	20.6 - 21.0%
Meat	7	18.0%	17.4 - 20.0%
Produce	7	28.0%	26.2 - 29.3%
General Merchandise/HaBA	6	31.9%	
Beer/Wine	0	INSUFFICIENT DATA	
Service Deli	0	INSUFFICIENT DATA	
Scratch/Bake-Off Bakery	0	INSUFFICIENT DATA	
Frozen Food	0	INSUFFICIENT DATA	
Dairy	5	20.0%	
Other	0	INSUFFICIENT DATA	
Total Gross Margin	7	23.7%	22.2 - 25.8%
Annual Inventory Turnover:			
Grocery	7	6.8X	3.8 - 8.6X
Meat	7	27.9X	21.6 - 29.8X
Produce	7	30.8X	22.1 - 57.5X
General Merchandise/HaBA	6	4.6X	
Beer/Wine	0	INSUFFICIENT DATA	
Service Deli	0	INSUFFICIENT DATA	
Scratch/Bake-Off Bakery	0	INSUFFICIENT DATA	
Frozen Food	0	INSUFFICIENT DATA	
Dairy	5	40.7X	
Other	0	INSUFFICIENT DATA	
Total Inventory Turnover	7	9.5X	6.0 - 10.4X
Gross Margin Return on Inventory (GMROI):			
Grocery	7	173.5%	100.5 - 235.0%
Meat	7	626.9%	470.4 - 939.1%
Produce	7	1,164.5%	795.0 - 2,382.0%
General Merchandise/HaBA	6	180.3%	
Beer/Wine	0	INSUFFICIENT DATA	
Service Deli	0	INSUFFICIENT DATA	
Scratch/Bake-Off Bakery	0	INSUFFICIENT DATA	
Frozen Food	0	INSUFFICIENT DATA	
Dairy	5	1,018.3%	
Other	0	INSUFFICIENT DATA	
Total GMROI	7	246.3%	174.4 - 341.1%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1988

SUPERETTE STORES - - MOST PROFITABLE STORES

SALES, MARGINS & TURNOVER BY MAJOR DEPARTMENT

	# STORES	TYPICAL	MIDDLE RANGE
Distribution of Sales:			
Grocery	7	74.2%	73.4 - 79.8%
Meat	7	20.6%	15.1 - 20.9%
Produce	7	5.2%	5.0 - 5.5%
Total Sales	7	100.0%	100.0 - 100.0%
Gross Margin Percent:			
Grocery	7	22.7%	21.0 - 24.8%
Meat	7	20.0%	19.0 - 26.3%
Produce	7	28.0%	26.2 - 29.3%
Total Gross Margin	7	23.7%	22.2 - 25.8%
Annual Inventory Turnover:			
Grocery	7	7.0X	5.0 - 8.7X
Meat	7	21.8X	20.2 - 25.7X
Produce	7	30.8X	22.1 - 57.5X
Total Inventory Turnover	7	9.5X	6.0 - 10.4X
Gross Margin Return on Inventory (GMROI):			
Grocery	7	196.5%	147.2 - 235.7%
Meat	7	720.0%	551.5 - 919.3%
Produce	7	1,164.5%	795.0 - 2,382.0%
Total GMROI	7	246.3%	174.4 - 341.1%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1988

SUPERETTE STORES - - LEAST PROFITABLE STORES

	# STORES	TYPICAL	MIDDLE RANGE
SALES DATA			
Percent Change from Previous Year	7	3.8%	0.5 - 8.7%
Average Transaction Size	0	INSUFFICIENT DATA	
Store Sales per Hour of Operation	7	$282	$232 - 317
Distribution of Sales:			
Grocery	7	54.4%	46.8 - 62.7%
Meat	7	19.3%	7.5 - 28.1%
Produce	7	7.3%	4.8 - 10.7%
General Merchandise/HaBA	7	4.0%	0.0 - 8.3%
Beer/Wine	7	0.9%	0.0 - 1.5%
Service Deli	7	0.0%	0.0 - 0.0%
Scratch/ Bake-Off Bakery	7	0.0%	0.0 - 0.0%
Frozen Food	7	0.6%	0.0 - 0.0%
Dairy	7	5.9%	0.0 - 9.9%
Other	7	7.7%	0.0 - 8.0%
Total	7	100.0%	100.0 - 100.0%
INCOME STATEMENT DATA (As a % of Sales)			
Sales:			
Grocery	7	73.4%	65.5 - 83.3%
Meat	7	19.3%	7.5 - 28.1%
Produce	7	7.3%	4.8 - 10.7%
Total Sales	7	100.0%	100.0 - 100.0%
Gross Margins:			
Grocery	7	19.5%	16.8 - 23.3%
Meat	6	19.3%	
Produce	6	23.8%	
Total Gross Margin	7	19.9%	18.0 - 21.9%
Operating Expenses:			
Store Labor:			
Regular	7	7.9%	7.8 - 11.3%
Benefits	7	0.7%	0.6 - 1.8%
Total Store Labor Expense	7	9.8%	9.0 - 13.5%
Advertising & Promotion	7	1.2%	0.7 - 1.5%
Occupancy (Excluding Utilities)	7	1.8%	1.5 - 2.8%
Utilities	7	1.5%	1.3 - 2.1%
Maintenance	7	0.4%	0.3 - 1.0%
Store Supplies	7	0.8%	0.7 - 1.1%
Interest	7	0.1%	0.0 - 0.4%
Other	7	4.1%	2.3 - 4.8%
Total Operating Expenses	7	19.9%	19.2 - 24.4%
Profit Before Tax	7	0.0%	-1.6 - 0.6%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1988

SUPERETTE STORES - - LEAST PROFITABLE STORES

PRODUCTIVITY DATA

Personnel Productivity

	# STORES	TYPICAL	MIDDLE RANGE
Sales per Labor Hour	5	$65.45	
Gross Margin per Labor Hour	5	$14.20	
Profit Before Tax per Labor Hour	5	-$0.01	
Sales per Labor Dollar	7	$12.61	$8.84 - 12.88
Gross Margin per Labor Dollar	7	$2.04	$1.94 - 2.38
Transactions per Labor Hour	0	INSUFFICIENT DATA	
Payroll per Labor Hour	5	$7.08	
Benefits per Labor Hour	0	INSUFFICIENT DATA	
Payroll to Total Expenses	7	45.7%	40.8 - 49.3%
Benefits to Total Expenses	6	6.9%	
Payroll per Hour of Operation	7	$22.36	$20.57 - 29.60

Space Productivity

	# STORES	TYPICAL	MIDDLE RANGE
Total Store Area:			
Average Square Footage	7	4,902	3,250 - 5,500
Weekly Sales per Square Foot	7	$4.94	$4.20 - 5.71
Weekly Gross Margin per Square Foot	7	$1.02	$0.89 - 1.14
Weekly Profit Before Tax per Sq Ft	7	$0.00	-$0.07 - 0.03
Selling Area:			
Average Square Footage	7	3,058	2,750 - 3,722
Weekly Sales per Square Foot	7	$7.05	$4.97 - 8.94
Weekly Gross Margin per Square Foot	7	$1.35	$1.16 - 1.74
Weekly Profit Before Tax per Sq Ft	7	$0.00	-$0.09 - 0.04
Average Weekly Sales per Store	7	$26,182	$13,720 - 28,637
Number of Checkouts	6	3	
Weekly Sales per Checkout	6	$9,546	
Weekly Transactions per Checkout	0	INSUFFICIENT DATA	
Selling Square Footage per Checkout	6	1,450	
Occupancy Cost (incl utilities) per Sq Ft	7	$8.33	$7.27 - 11.84
Occupancy Cost (incl util) to Total Expense	7	17.5%	15.1 - 20.5%
Transactions per Square Foot of Selling Area	0	INSUFFICIENT DATA	
Transactions per 1000 Selling Sq Ft per Hour	0	INSUFFICIENT DATA	
Percentage of Selling Area to Total Area	7	75.0%	67.4 - 83.3%
Inventory Dollars per Sq Ft of Selling Area	7	$21.35	$20.82 - 22.74

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1988

SUPERETTE STORES - - LEAST PROFITABLE STORES

	# STORES	TYPICAL	MIDDLE RANGE
Inventory Productivity			
Gross Margin:			
Grocery	7	19.0%	16.8 - 24.7%
Meat	6	19.3%	
Produce	6	23.8%	
General Merchandise/HaBA	0	INSUFFICIENT DATA	
Beer/Wine	0	INSUFFICIENT DATA	
Service Deli	0	INSUFFICIENT DATA	
Scratch/Bake-Off Bakery	0	INSUFFICIENT DATA	
Frozen Food	0	INSUFFICIENT DATA	
Dairy	0	INSUFFICIENT DATA	
Other	0	INSUFFICIENT DATA	
Total Gross Margin	7	19.9%	18.0 - 21.9%
Annual Inventory Turnover:			
Grocery	7	9.7X	7.3 - 11.7X
Meat	6	55.7X	
Produce	6	67.4X	
General Merchandise/HaBA	0	INSUFFICIENT DATA	
Beer/Wine	0	INSUFFICIENT DATA	
Service Deli	0	INSUFFICIENT DATA	
Scratch/Bake-Off Bakery	0	INSUFFICIENT DATA	
Frozen Food	0	INSUFFICIENT DATA	
Dairy	0	INSUFFICIENT DATA	
Other	0	INSUFFICIENT DATA	
Total Inventory Turnover	7	13.8X	10.1 - 14.6X
Gross Margin Return on Inventory (GMROI):			
Grocery	7	265.8%	201.5 - 279.2%
Meat	6	783.2%	
Produce	6	1,925.6%	
General Merchandise/HaBA	0	INSUFFICIENT DATA	
Beer/Wine	0	INSUFFICIENT DATA	
Service Deli	0	INSUFFICIENT DATA	
Scratch/Bake-Off Bakery	0	INSUFFICIENT DATA	
Frozen Food	0	INSUFFICIENT DATA	
Dairy	0	INSUFFICIENT DATA	
Other	0	INSUFFICIENT DATA	
Total GMROI	7	325.2%	298.8 - 349.1%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1988

SUPERETTE STORES - - LEAST PROFITABLE STORES

	# STORES	TYPICAL	MIDDLE RANGE
SALES, MARGINS & TURNOVER BY MAJOR DEPARTMENT			
Distribution of Sales:			
Grocery	7	73.4%	65.5 - 83.3%
Meat	7	19.3%	7.5 - 28.1%
Produce	7	7.3%	4.8 - 10.7%
Total Sales	7	100.0%	100.0 - 100.0%
Gross Margin Percent:			
Grocery	7	19.5%	16.8 - 23.3%
Meat	6	19.3%	
Produce	6	23.8%	
Total Gross Margin	7	19.9%	18.0 - 21.9%
Annual Inventory Turnover:			
Grocery	7	9.4X	8.1 - 11.8X
Meat	6	55.7X	
Produce	6	67.4X	
Total Inventory Turnover	7	13.8X	10.1 - 14.6X
Gross Margin Return on Inventory (GMROI):			
Grocery	7	284.6%	207.3 - 301.2%
Meat	6	783.2%	
Produce	6	1,925.6%	
Total GMROI	7	325.2%	298.8 - 349.1%

Warehouse Stores

Overview of Performance--Warehouse Stores

Warehouse stores had the lowest total operating expense as a percent of sales reported by any of the store formats in this study, just under 15% of total sales. Labor expense absorbed only 7.3% of sales. In addition to good expense control, additional performance highlights include:

- Inventory turnover was reported at a low of 14 times and an overall gross profit margin of 15% which resulted in a GMROI of slightly more than 250%.
- Net profit before tax was 1.2%.
- The average transaction size was $17 while typical sales per labor hour were reported at $103.
- Nearly 80% of the total store is used as selling area, while the typical store reported a total store area of nearly 39,000 square feet.

The following table highlights key ratios and the five year comparatives for all responding warehouse store operators to the FMI *Operating Results of Independent Supermarkets.*

All Responding Warehouse Store Operators
1984--1988

	1988	1987	1986	1985	1984
SALES DATA					
Average Weekly Sales per Store	$135,064	$194,719	$295,346	$248,835	$141,668
Sales per Labor Hour	$103.30	$113.03	$116.06	$102.71	$147.32
Average Transaction Size	$17.01	$17.74	$21.64	$18.88	$20.18
SPACE DATA					
Total Store Area (square feet)	38,800	31,000	37,192	31,500	26,000
Selling Area (square feet)	30,789	25,000	28,000	24,500	20,000
Weekly Sales per Sq. ft. of Selling Area	$4.96	$7.21	$10.38	$10.07	$6.47
INVENTORY DATA					
Inventory Turnover (times)	14.3x	24.9x	24.3x	25.4x	21.5x
Gross Profit Margin	14.9%	16.5%	15.9%	17.3%	16.8%
GMROI	252.8%	471.8%	488.3%	532.7%	404.3%
PROFIT DATA					
Net Profit Margin Before Tax	1.2%	1.1%	1.3%	1.3%	2.1%
OPERATING EXPENSE DATA (as a % of sales)					
Total Operating Expense	14.7%	15.4%	14.9%	14.6%	15.4%
Store Labor Expense:					
Direct/Regular	5.9%	6.2%	5.8%	6.5%	5.4%
Fringe Benefits	0.9%	1.1%	1.2%	1.2%	1.3%

Source: Operating Results of Independent Supermarkets, 1988

Warehouse Stores--Winners vs. Losers in 1988

One of the most beneficial tasks of studying industry performance statistics is to understand the operating characteristics of highly profitable stores. Within this section these are designated as the "Most Profitable Stores," which includes those stores that are among the upper 50 percent in terms of net profit before tax (located on the bottom of the income statement for each grouping).

An "understanding" of why the "winners" were successful can provide important clues into how a sub-par business can be improved. However, food retailers are cautioned not to make indiscriminate changes in their operations to conform to the industry profit leaders. Rather, many formulas for success exist and are specific to each individual situation. However, focusing attention on the characteristics of the high profit stores may be useful for identifying which business activities are most worthy of managerial attention.

Compared with the least profitable group of stores, the 1988 high performance stores exhibited:

- Inventory turnover was nearly twice as high for the most profitable group of stores (24.5x versus 13.5x), gross margin was much higher (nearly 17% versus 14%) resulting in a much superior GMROI of (550% versus 200%).
- More productive employees as measured by sales per labor hour ($129 versus $93) with a superior gross margin per labor hour ($20 versus $12 for the least profitable group).
- Significantly lower overall expenses as a percent of sales (12.1% versus 15.1%).
- Superior sales growth over the prior year's sales (6.5% versus -0.3%).

One way of revealing differences between the high and low profit stores is to examine the income statement performance of the two groups. The most profitable stores clearly controlled expenses better than their counterparts and earned a superior gross margin clearly indicating the success of the "winners."

1988 Summary Income Statement
(Numbers Expressed as a % of Total Sales)

	Most Profitable Stores	Least Profitable Stores
Sales:		
Grocery	75.4%	78.4%
Meat	16.1	14.1
Produce	7.9	7.0
Total Sales	100.0%	100.0%
Gross Margins:		
Grocery	16.0%	11.8%
Meat	21.0	15.8
Produce	24.2	26.3
Total Gross Margin	16.6	14.0
Operating Expenses:		
Store Labor:		
Regular	5.4	6.2
Benefits	1.3	0.8
Total Store Labor Expense	7.3	7.0
Advertising & Promotion	0.5	0.5
Occupancy (Excluding Utilities)	2.0	1.8
Utilities	0.8	1.2
Maintenance	0.5	0.8
Store Supplies	0.8	0.9
Interest	0.7	0.1
Other	1.5	1.9
Total Operating Expenses	12.1	15.1
Profit Before Tax	2.8	-0.7

Source: Operating Results of Independent Supermarkets, 1988

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1988

WAREHOUSE STORES - - ALL STORES

	# STORES	TYPICAL	MIDDLE RANGE
SALES DATA			
Percent Change from Previous Year	11	1.8%	-2.1 - 8.9%
Average Transaction Size	11	$17.01	$14.19 - 22.87
Store Sales per Hour of Operation	11	$1,407	$1,183 - 1,890
Distribution of Sales:			
Grocery	11	55.9%	50.7 - 57.0%
Meat	11	15.6%	12.2 - 17.4%
Produce	11	7.3%	5.9 - 8.5%
General Merchandise/HaBA	11	8.0%	3.4 - 11.8%
Beer/Wine	11	0.8%	0.0 - 1.2%
Service Deli	11	0.4%	0.0 - 0.0%
Scratch/ Bake-Off Bakery	11	0.6%	0.0 - 0.0%
Frozen Food	11	4.3%	3.5 - 6.2%
Dairy	11	6.8%	5.8 - 9.1%
Other	11	0.2%	0.0 - 0.0%
Total	11	100.0%	100.0 - 100.0%
INCOME STATEMENT DATA (As a % of Sales)			
Sales:			
Grocery	11	76.7%	74.5 - 82.1%
Meat	11	16.0%	12.2 - 17.5%
Produce	11	7.3%	5.9 - 8.5%
Total Sales	11	100.0%	100.0 - 100.0%
Gross Margins:			
Grocery	11	12.4%	11.6 - 15.2%
Meat	11	16.8%	15.3 - 21.0%
Produce	11	24.5%	23.5 - 27.7%
Total Gross Margin	11	14.9%	13.1 - 16.2%
Operating Expenses:			
Store Labor:			
Regular	11	5.9%	5.6 - 6.5%
Benefits	11	0.9%	0.7 - 1.1%
Total Store Labor Expense	11	7.3%	6.5 - 7.8%
Advertising & Promotion	11	0.5%	0.4 - 0.8%
Occupancy (Excluding Utilities)	11	1.9%	1.5 - 2.2%
Utilities	11	1.1%	0.8 - 1.2%
Maintenance	11	0.6%	0.4 - 0.8%
Store Supplies	11	0.9%	0.8 - 1.0%
Interest	11	0.3%	0.0 - 0.8%
Other	11	1.8%	1.3 - 2.7%
Total Operating Expenses	11	14.7%	12.3 - 15.9%
Profit Before Tax	11	1.2%	-0.7 - 2.3%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1988

WAREHOUSE STORES - - ALL STORES

	# STORES	TYPICAL	MIDDLE RANGE
PRODUCTIVITY DATA			
Personnel Productivity			
Sales per Labor Hour	10	$103.30	$94.70 - 124.27
Gross Margin per Labor Hour	10	$16.17	$13.00 - 19.16
Profit Before Tax per Labor Hour	10	$0.95	-$1.12 - 2.76
Sales per Labor Dollar	11	$16.96	$15.34 - 17.88
Gross Margin per Labor Dollar	11	$2.43	$2.20 - 2.77
Transactions per Labor Hour	10	6.5	5.1 - 7.2
Payroll per Labor Hour	10	$6.56	$5.57 - 7.18
Benefits per Labor Hour	10	$0.84	$0.65 - 1.22
Payroll to Total Expenses	11	43.9%	39.2 - 46.0%
Benefits to Total Expenses	11	5.3%	4.9 - 7.5%
Payroll per Hour of Operation	11	$85.16	$66.31 - 124.06
Space Productivity			
Total Store Area:			
Average Square Footage	11	38,800	32,000 - 45,838
Weekly Sales per Square Foot	11	$4.34	$3.23 - 7.42
Weekly Gross Margin per Square Foot	11	$0.57	$0.43 - 1.29
Weekly Profit Before Tax per Sq Ft	11	$0.04	-$0.02 - 0.10
Selling Area:			
Average Square Footage	11	30,789	23,400 - 32,875
Weekly Sales per Square Foot	11	$4.96	$3.97 - 11.77
Weekly Gross Margin per Square Foot	11	$0.66	$0.55 - 2.05
Weekly Profit Before Tax per Sq Ft	11	$0.04	-$0.02 - 0.14
Average Weekly Sales per Store	11	$135,064	$111,486 - 280,275
Number of Checkouts	11	7	6 - 8
Weekly Sales per Checkout	11	$22,511	$17,540 - 30,322
Weekly Transactions per Checkout	11	1,210	1,141 - 1,547
Selling Square Footage per Checkout	11	4,167	2,500 - 5,479
Occupancy Cost (incl utilities) per Sq Ft	11	$6.15	$4.99 - 7.89
Occupancy Cost (incl util) to Total Expense	11	19.1%	17.4 - 25.2%
Transactions per Square Foot of Selling Area	11	0.31	0.22 - 0.58
Transactions per 1000 Selling Sq Ft per Hour	11	3.04	2.38 - 4.19
Percentage of Selling Area to Total Area	11	73.4%	67.6 - 77.7%
Inventory Dollars per Sq Ft of Selling Area	11	$15.35	$13.76 - 24.11

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1988

WAREHOUSE STORES - - ALL STORES

	# STORES	TYPICAL	MIDDLE RANGE
Inventory Productivity			
Gross Margin:			
Grocery	11	11.3%	9.1 - 12.3%
Meat	11	16.8%	15.3 - 19.6%
Produce	11	24.5%	23.5 - 27.7%
General Merchandise/HaBA	10	21.1%	15.7 - 24.4%
Beer/Wine	6	12.6%	
Service Deli	0	INSUFFICIENT DATA	
Scratch/Bake-Off Bakery	0	INSUFFICIENT DATA	
Frozen Food	9	16.5%	15.5 - 20.4%
Dairy	9	15.5%	14.5 - 16.9%
Other	0	INSUFFICIENT DATA	
Total Gross Margin	11	14.9%	13.1 - 16.2%
Annual Inventory Turnover:			
Grocery	11	14.4X	12.9 - 19.5X
Meat	11	43.3X	35.2 - 58.1X
Produce	11	67.2X	57.9 - 95.4X
General Merchandise/HaBA	10	4.9X	3.9 - 7.7X
Beer/Wine	6	15.4X	
Service Deli	0	INSUFFICIENT DATA	
Scratch/Bake-Off Bakery	0	INSUFFICIENT DATA	
Frozen Food	9	20.1X	17.4 - 21.8X
Dairy	9	41.6X	34.1 - 43.3X
Other	0	INSUFFICIENT DATA	
Total Inventory Turnover	11	14.3X	12.9 - 20.6X
Gross Margin Return on Inventory (GMROI):			
Grocery	11	169.1%	131.8 - 242.5%
Meat	11	1,048.9%	767.6 - 1,302.2%
Produce	11	2,436.5%	1,880.3 - 3,261.4%
General Merchandise/HaBA	10	111.4%	80.2 - 240.5%
Beer/Wine	6	215.8%	
Service Deli	0	INSUFFICIENT DATA	
Scratch/Bake-Off Bakery	0	INSUFFICIENT DATA	
Frozen Food	9	403.4%	333.7 - 540.9%
Dairy	9	705.8%	597.7 - 921.9%
Other	0	INSUFFICIENT DATA	
Total GMROI	11	252.8%	195.8 - 429.7%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1988

WAREHOUSE STORES - - ALL STORES

SALES, MARGINS & TURNOVER BY MAJOR DEPARTMENT	# STORES	TYPICAL	MIDDLE RANGE
Distribution of Sales:			
Grocery	11	76.7%	74.5 - 82.1%
Meat	11	16.0%	12.2 - 17.5%
Produce	11	7.3%	5.9 - 8.5%
Total Sales	11	100.0%	100.0 - 100.0%
Gross Margin Percent:			
Grocery	11	12.4%	11.6 - 15.2%
Meat	11	16.8%	15.3 - 21.0%
Produce	11	24.5%	23.5 - 27.7%
Total Gross Margin	11	14.9%	13.1 - 16.2%
Annual Inventory Turnover:			
Grocery	11	11.9X	10.8 - 17.0X
Meat	11	43.3X	34.4 - 58.1X
Produce	11	67.2X	57.9 - 95.4X
Total Inventory Turnover	11	14.3X	12.9 - 20.6X
Gross Margin Return on Inventory (GMROI):			
Grocery	11	165.8%	146.6 - 307.9%
Meat	11	994.6%	767.6 - 1,302.2%
Produce	11	2,436.5%	1,880.3 - 3,261.4%
Total GMROI	11	252.8%	195.8 - 429.7%

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1988

WAREHOUSE STORES - - MOST PROFITABLE STORES

	# STORES	TYPICAL	MIDDLE RANGE
SALES DATA			
Percent Change from Previous Year	5	6.5%	
Average Transaction Size	5	$23.31	
Store Sales per Hour of Operation	5	$2,007	
Distribution of Sales:			
Grocery	5	59.5%	
Meat	5	14.7%	
Produce	5	7.6%	
General Merchandise/HaBA	5	7.3%	
Beer/Wine	5	0.4%	
Service Deli	5	1.0%	
Scratch/ Bake-Off Bakery	5	1.2%	
Frozen Food	5	3.6%	
Dairy	5	4.4%	
Other	5	0.5%	
Total	5	100.0%	
INCOME STATEMENT DATA (As a % of Sales)			
Sales:			
Grocery	5	76.8%	
Meat	5	15.7%	
Produce	5	7.6%	
Total Sales	5	100.0%	
Gross Margins:			
Grocery	5	16.0%	
Meat	5	21.0%	
Produce	5	24.2%	
Total Gross Margin	5	16.6%	
Operating Expenses:			
Store Labor:			
Regular	5	5.4%	
Benefits	5	1.3%	
Total Store Labor Expense	5	7.3%	
Advertising & Promotion	5	0.5%	
Occupancy (Excluding Utilities)	5	2.0%	
Utilities	5	0.8%	
Maintenance	5	0.5%	
Store Supplies	5	0.8%	
Interest	5	0.7%	
Other	5	1.5%	
Total Operating Expenses	5	12.1%	
Profit Before Tax	5	2.8%	

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1988

WAREHOUSE STORES - - MOST PROFITABLE STORES

	# STORES	TYPICAL	MIDDLE RANGE
PRODUCTIVITY DATA			
Personnel Productivity			
Sales per Labor Hour	5	$129.45	
Gross Margin per Labor Hour	5	$19.83	
Profit Before Tax per Labor Hour	5	$2.85	
Sales per Labor Dollar	5	$18.61	
Gross Margin per Labor Dollar	5	$2.80	
Transactions per Labor Hour	5	5.6	
Payroll per Labor Hour	5	$7.24	
Benefits per Labor Hour	5	$1.31	
Payroll to Total Expenses	5	43.9%	
Benefits to Total Expenses	5	7.9%	
Payroll per Hour of Operation	5	$140.41	
Space Productivity			
Total Store Area:			
Average Square Footage	5	45,676	
Weekly Sales per Square Foot	5	$9.23	
Weekly Gross Margin per Square Foot	5	$1.69	
Weekly Profit Before Tax per Sq Ft	5	$0.11	
Selling Area:			
Average Square Footage	5	30,789	
Weekly Sales per Square Foot	5	$15.24	
Weekly Gross Margin per Square Foot	5	$2.80	
Weekly Profit Before Tax per Sq Ft	5	$0.18	
Average Weekly Sales per Store	5	$337,242	
Number of Checkouts	5	8	
Weekly Sales per Checkout	5	$32,731	
Weekly Transactions per Checkout	5	1,451	
Selling Square Footage per Checkout	5	2,500	
Occupancy Cost (incl utilities) per Sq Ft	5	$6.99	
Occupancy Cost (incl util) to Total Expense	5	17.9%	
Transactions per Square Foot of Selling Area	5	0.51	
Transactions per 1000 Selling Sq Ft per Hour	5	3.04	
Percentage of Selling Area to Total Area	5	67.4%	
Inventory Dollars per Sq Ft of Selling Area	5	$26.45	

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1988

WAREHOUSE STORES - - MOST PROFITABLE STORES

	# STORES	TYPICAL	MIDDLE RANGE
Inventory Productivity			
Gross Margin:			
Grocery	5	12.0%	
Meat	5	18.2%	
Produce	5	24.2%	
General Merchandise/HaBA	0	INSUFFICIENT DATA	
Beer/Wine	0	INSUFFICIENT DATA	
Service Deli	0	INSUFFICIENT DATA	
Scratch/Bake-Off Bakery	0	INSUFFICIENT DATA	
Frozen Food	0	INSUFFICIENT DATA	
Dairy	0	INSUFFICIENT DATA	
Other	0	INSUFFICIENT DATA	
Total Gross Margin	5	16.6%	
Annual Inventory Turnover:			
Grocery	5	21.8X	
Meat	5	63.9X	
Produce	5	58.9X	
General Merchandise/HaBA	0	INSUFFICIENT DATA	
Beer/Wine	0	INSUFFICIENT DATA	
Service Deli	0	INSUFFICIENT DATA	
Scratch/Bake-Off Bakery	0	INSUFFICIENT DATA	
Frozen Food	0	INSUFFICIENT DATA	
Dairy	0	INSUFFICIENT DATA	
Other	0	INSUFFICIENT DATA	
Total Inventory Turnover	5	24.5X	
Gross Margin Return on Inventory (GMROI):			
Grocery	5	298.4%	
Meat	5	1,394.2%	
Produce	5	1,909.0%	
General Merchandise/HaBA	0	INSUFFICIENT DATA	
Beer/Wine	0	INSUFFICIENT DATA	
Service Deli	0	INSUFFICIENT DATA	
Scratch/Bake-Off Bakery	0	INSUFFICIENT DATA	
Frozen Food	0	INSUFFICIENT DATA	
Dairy	0	INSUFFICIENT DATA	
Other	0	INSUFFICIENT DATA	
Total GMROI	5	550.0%	

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1988

WAREHOUSE STORES - - MOST PROFITABLE STORES

	# STORES	TYPICAL	MIDDLE RANGE
SALES, MARGINS & TURNOVER BY MAJOR DEPARTMENT			
Distribution of Sales:			
Grocery	5	76.8%	
Meat	5	15.7%	
Produce	5	7.6%	
Total Sales	5	100.0%	
Gross Margin Percent:			
Grocery	5	16.0%	
Meat	5	21.0%	
Produce	5	24.2%	
Total Gross Margin	5	16.6%	
Annual Inventory Turnover:			
Grocery	5	20.0X	
Meat	5	63.9X	
Produce	5	58.9X	
Total Inventory Turnover	5	24.5X	
Gross Margin Return on Inventory (GMROI):			
Grocery	5	416.1%	
Meat	5	1,394.2%	
Produce	5	1,909.0%	
Total GMROI	5	550.0%	

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1988

WAREHOUSE STORES - - LEAST PROFITABLE STORES

SALES DATA

	# STORES	TYPICAL	MIDDLE RANGE
Percent Change from Previous Year	6	-0.3%	
Average Transaction Size	6	$14.19	
Store Sales per Hour of Operation	6	$1,244	
Distribution of Sales:			
Grocery	6	52.9%	
Meat	6	16.3%	
Produce	6	7.2%	
General Merchandise/HaBA	6	8.7%	
Beer/Wine	6	1.1%	
Service Deli	6	0.0%	
Scratch/ Bake-Off Bakery	6	0.0%	
Frozen Food	6	4.9%	
Dairy	6	8.9%	
Other	6	0.0%	
Total	6	100.0%	

INCOME STATEMENT DATA (As a % of Sales)

	# STORES	TYPICAL	MIDDLE RANGE
Sales:			
Grocery	6	76.6%	
Meat	6	16.3%	
Produce	6	7.2%	
Total Sales	6	100.0%	
Gross Margins:			
Grocery	6	11.8%	
Meat	6	15.8%	
Produce	6	26.3%	
Total Gross Margin	6	14.0%	
Operating Expenses:			
Store Labor:			
Regular	6	6.2%	
Benefits	6	0.8%	
Total Store Labor Expense	6	7.0%	
Advertising & Promotion	6	0.5%	
Occupancy (Excluding Utilities)	6	1.8%	
Utilities	6	1.2%	
Maintenance	6	0.8%	
Store Supplies	6	0.9%	
Interest	6	0.1%	
Other	6	1.9%	
Total Operating Expenses	6	15.1%	
Profit Before Tax	6	-0.7%	

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1988

WAREHOUSE STORES - - LEAST PROFITABLE STORES

PRODUCTIVITY DATA

Personnel Productivity

	# STORES	TYPICAL	MIDDLE RANGE
Sales per Labor Hour	5	$93.40	
Gross Margin per Labor Hour	5	$12.43	
Profit Before Tax per Labor Hour	5	-$1.49	
Sales per Labor Dollar	6	$16.25	
Gross Margin per Labor Dollar	6	$2.20	
Transactions per Labor Hour	5	6.8	
Payroll per Labor Hour	5	$5.81	
Benefits per Labor Hour	5	$0.67	
Payroll to Total Expenses	6	42.8%	
Benefits to Total Expenses	6	4.9%	
Payroll per Hour of Operation	6	$75.52	

Space Productivity

	# STORES	TYPICAL	MIDDLE RANGE
Total Store Area:			
Average Square Footage	6	33,750	
Weekly Sales per Square Foot	6	$3.38	
Weekly Gross Margin per Square Foot	6	$0.45	
Weekly Profit Before Tax per Sq Ft	6	-$0.02	
Selling Area:			
Average Square Footage	6	28,000	
Weekly Sales per Square Foot	6	$4.36	
Weekly Gross Margin per Square Foot	6	$0.55	
Weekly Profit Before Tax per Sq Ft	6	-$0.02	
Average Weekly Sales per Store	6	$111,486	
Number of Checkouts	6	6	
Weekly Sales per Checkout	6	$17,540	
Weekly Transactions per Checkout	6	1,197	
Selling Square Footage per Checkout	6	4,298	
Occupancy Cost (incl utilities) per Sq Ft	6	$5.99	
Occupancy Cost (incl util) to Total Expense	6	20.5%	
Transactions per Square Foot of Selling Area	6	0.27	
Transactions per 1000 Selling Sq Ft per Hour	6	2.85	
Percentage of Selling Area to Total Area	6	75.2%	
Inventory Dollars per Sq Ft of Selling Area	6	$15.05	

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1988

WAREHOUSE STORES - - LEAST PROFITABLE STORES

	# STORES	TYPICAL	MIDDLE RANGE
Inventory Productivity			
Gross Margin:			
Grocery	6	9.1%	
Meat	6	15.8%	
Produce	6	26.3%	
General Merchandise/HaBA	6	15.9%	
Beer/Wine	0	INSUFFICIENT DATA	
Service Deli	0	INSUFFICIENT DATA	
Scratch/Bake-Off Bakery	0	INSUFFICIENT DATA	
Frozen Food	6	17.7%	
Dairy	6	14.6%	
Other	0	INSUFFICIENT DATA	
Total Gross Margin	6	14.0%	
Annual Inventory Turnover:			
Grocery	6	13.4X	
Meat	6	39.0X	
Produce	6	79.9X	
General Merchandise/HaBA	6	4.1X	
Beer/Wine	0	INSUFFICIENT DATA	
Service Deli	0	INSUFFICIENT DATA	
Scratch/Bake-Off Bakery	0	INSUFFICIENT DATA	
Frozen Food	6	18.2X	
Dairy	6	38.3X	
Other	0	INSUFFICIENT DATA	
Total Inventory Turnover	6	13.5X	
Gross Margin Return on Inventory (GMROI):			
Grocery	6	131.8%	
Meat	6	767.6%	
Produce	6	3,168.5%	
General Merchandise/HaBA	6	80.4%	
Beer/Wine	0	INSUFFICIENT DATA	
Service Deli	0	INSUFFICIENT DATA	
Scratch/Bake-Off Bakery	0	INSUFFICIENT DATA	
Frozen Food	6	368.5%	
Dairy	6	655.3%	
Other	0	INSUFFICIENT DATA	
Total GMROI	6	195.8%	

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1988

WAREHOUSE STORES - - LEAST PROFITABLE STORES

SALES, MARGINS & TURNOVER BY MAJOR DEPARTMENT

	# STORES	TYPICAL	MIDDLE RANGE
Distribution of Sales:			
Grocery	6	76.6%	
Meat	6	16.3%	
Produce	6	7.2%	
Total Sales	6	100.0%	
Gross Margin Percent:			
Grocery	6	11.8%	
Meat	6	15.8%	
Produce	6	26.3%	
Total Gross Margin	6	14.0%	
Annual Inventory Turnover:			
Grocery	6	11.2X	
Meat	6	39.0X	
Produce	6	79.9X	
Total Inventory Turnover	6	13.5X	
Gross Margin Return on Inventory (GMROI):			
Grocery	6	146.6%	
Meat	6	767.6%	
Produce	6	3,168.5%	
Total GMROI	6	195.8%	

Appendix

Survey Methodology/Demographics

In mid 1989, FMI distributed a confidential survey to all Food Marketing Institute's independent retail and wholesale members. The primary intent of this survey was to collect detailed financial operating information from its independent grocer operators by type of establishment, sales volume, geographic region, size of store and other factors.

Completed surveys were returned in strictest confidence to Leas, Noon and Associates, a survey research firm in Columbus, Ohio. All store identification, if any, was removed from each questionnaire and a confidential identification code was assigned. The data was then coded, keyed and edited by Leas, Noon and Associates financial analysts for validity. Computer processing was then performed on all data to insure statistical validity and produce the financial and operating ratios contained in this study.

The Food Marketing Institute *Operating Results of Independent Supermarkets*, 1988 report is based on the responses of 199 independent food stores representing 123 companies which reported data for 1988 results. In particular the statistical sample consists of the following:

	Number of Stores Reporting	Percent of Total
ALL RESPONDENTS	199	100.0%
By Store Type		
Conventional Supermarket	144	72.4
Super Stores	21	10.6
Superettes	14	7.0
Warehouse Stores	11	5.5
Other	9	4.5

	Number of Stores Reporting	Percent of Total
SUPER STORES	21	100.0%
By Weekly Sales Volume		
$300,000 and Under	9	43.0%
Over $300,000	12	57.0

	Number of Stores Reporting	Percent of Total
CONVENTIONAL SUPERMARKETS	144	100.0%
By Weekly Sales Volume		
Less than $70,000	29	20.1
$70,000 to $125,000	44	30.6
Over $125,000	71	49.3
By Selling Area Square Footage		
Less than 10,000 sq. ft.	31	21.5
10,000-12,499 sq. ft.	24	16.7
12,500-17,000 sq. ft	36	25.0
Over 17,000 sq. ft	53	36.8
By Geographic Region		
Northeast	12	8.3
Middle Atlantic	22	15.3
East North Central	36	25.0
West	16	11.1
Mid South	22	15.3
Southeast	14	9.7
Pacific	22	15.3

	Number of Stores Reporting	Percent of Total
SUPERETTES	14	100.0%

	Number of Stores Reporting	Percent of Total
WAREHOUSE STORES	11	100.0%

Departmental Data

Departmental data are presented in two ways--by detailed product categories and by the three major categories of grocery, meat, and produce. Users of the data should refer to whichever they consider to be more appropriate for their needs.

The detailed categories were "collapsed" into major categories as follows:

The Category:	Was Collapsed into:
Grocery	Grocery
Meat	Meat
Produce	Produce
General Merchandise/HBA	Grocery
Beer/Wine	Grocery
Service/Deli	Meat
Scratch/Bake-Off Bakery	Grocery
Frozen Food	Grocery
Dairy	Grocery
Other	Grocery

Due to the fact that some of the respondents were unable to break out sales by the detailed product categories, the percentage of the sales attributed to some categories may be artificially low.

FOOD MARKETING INSTITUTE

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS
1988

CONFIDENTIAL REPORTING FORM

PLEASE MAIL COMPLETED FORM TO:

Leas, Noon and Associates
P.O. Box 20127
Columbus, OH 43220-0127

OPERATING RESULTS OF INDEPENDENT SUPERMARKETS, 1988

(Based on 1988 Operating Data)

Please complete as much of this survey as possible according to the attached instruction sheet and return. You need not complete the entire survey form; however, items 2 through 6 must be completed by all participants.

LINE #	CODE #	STORE 1	CODE #	STORE 2
1. STORE NAME (10 Characters or less)	1	SAMPLE	1	
2. STORE TYPE	2	1. /X/Conventional Supermarket 2. /_/Super Store 3. /_/Superette 4. /_/Warehouse Store 5. /_/Combination Store 6. /_/Box Store 7. /_/Convenience Store 8. /_/Other ________	2	1. /_/Conventional Supermarket 2. /_/Super Store 3. /_/Superette 4. /_/Warehouse Store 5. /_/Combination Store 6. /_/Box Store 7. /_/Convenience Store 8. /_/Other ________
3. State or Province Where Located	3	INDIANA	3	
4. Total Store Area (square feet)	4	18,500	4	
5. Selling Area (square feet)	5	16,000	5	
6. Annual Net Sales (1988) Report sales net of returns and allowances. Exclude sales taxes, excise taxes and wholesale sales.	6	$ 4,450,107	6	$
7. Annual Net Sales (1987)	7	$ 4,097,835	7	$
8. Average Number of Weekly Labor Hours for 1988 (store level only)	8	# 1095	8	#
9. Average Number of Weekly Customer Transactions for 1988.	9	# 7,985	9	#
10. Average Customer Transaction in 1988	10	$ 10.72	10	$
11. Number of Checkouts	11	# 5	11	#
12. Average Number of Hours of Operation Per Week in 1988	12	# 105	12	#

(Continued on next page)

PLEASE BE SURE TO FILL OUT THIS STUB COMPLETELY. IT WILL BE DETACHED BY THE SURVEY FIRM

PLEASE PRINT OR TYPE

Person to Contact ________________ Company Name SAMPLE

Do Not Write in This Box

Address ________________________________

City, State, Zip ________________ Telephone ____________

	CODE	STORE 1	CODE	STORE 2

ANNUAL SALES BY DEPARTMENT: (in Dollars) Please answer only for the departments your company operates.

13. Grocery	13	$ 2,251,005	13	$
14. Meat	14	$ 875,967	14	$
15. Produce	15	$ 401,056	15	$
16. General Merchandise/HaBA	16	$ 270,118	16	$
17. Beer/Wine	17	$ ---	17	$
18. Service Deli	18	$ 49,645	18	$
19. Scratch/Bake-Off Bakery	19	$ 69,518	19	$
20. Frozen Food	20	$ 187,475	20	$
21. Dairy	21	$ 325,103	21	$
22. Other, not included above	22	$ 20,220	22	$
23. TOTAL (Sum of Lines 13 through 22; Same as Line 6)	23	$ 4,450,107	23	$

GROSS MARGIN: (in Dollars) Please answer only for the department categories you operate.

		Dollars		Dollars
24. Grocery	24	$ 369,898	24	$
25. Meat	25	$ 201,457	25	$
26. Produce	26	$ 124,318	26	$
27. General Merchandise/HaBA	27	$ 80,364	27	$
28. Beer/Wine	28	$ ---	28	$
29. Service Deli	29	$ 17,061	29	$
30. Scratch/Bake-Off Bakery	30	$ 37,999	30	$
31. Frozen Food	31	$ 45,421	31	$
32. Dairy	32	$ 71,005	32	$
33. Other, not included in above	33	$ 6,288	33	$
34. TOTAL (Sum of Lines 24 through 33)	34	$ 953,811	34	$

(Continued on reverse side)

AVERAGE INVENTORY (in Dollars, at Cost)	Code	Store 1	Code	Store 2
35. Grocery	35	$ 128,941	35	$
36. Meat	36	$ 18,673	36	$
37. Produce	37	$ 6,325	37	$
38. General Merchandise/HaBA	38	$ 42,822	38	$
39. Beer/Wine	39	$ ---	39	$
40. Service Deli	40	$ 1,869	40	$
41. Scratch/Bake-Off Bakery	41	$ 3,418	41	$
42. Frozen Food	42	$ 9,488	42	$
43. Dairy	43	$ 4,385	43	$
44. Other, not included in above	44	$ 4,695	44	$
45. TOTAL (Sum of Lines 35 through 44)	45	$ 220,616	45	$
EXPENSES (in Dollars)				
46. Regular Store Labor	46	$ 287,250	46	$
47. Store Level Benefits	47	$ 34,412	47	$
48. Advertising & Promotion	48	$ 87,685	48	$
49. Occupancy (Excluding Utilities)	49	$ 37,947	49	$
50. Utilities	50	$ 71,420	50	$
51. Maintenance	51	$ 31,405	51	$
52. Store Supplies	52	$ 37,999	52	$
53. Interest	53	$ 80,001	53	$
54. Other, not included in above	54	$ 128,421	54	$
55. TOTAL (Sum of Lines 46 through 54)	55	$ 796,540	55	$
56. Profit Before Tax (Line 34 minus 55)	56	$ 157,271	56	$

INSTRUCTIONS

Please use the following instructions when completing the enclosed Independent Operators Survey. All information will be held in complete confidence. It will not be revealed to Food Marketing Institute or anyone else.

GENERAL

A. Please give data for your most typical store(s). Do not select your best or your worst store.

B. If information does not exist for one individual store, please divide the total expense, amount, etc., by the number of stores or the usage of that item by the store. Please give an estimate if the actual figures are unknown.

C. Please report all data for the calendar year 1988. If this is not practical, use the fiscal year which ended closest to December 31, 1988. Full-year data are required.

D. Please report monetary figures to the nearest dollar (eliminate "cents").

E. Columns labeled "Code #" are for our use only. Ignore them.

F. There is room on the survey form to report data for two of your stores. Since each respondent will receive a free, computer generated, productivity report on each store, you may wish to copy the form and report on any other stores you operate.

G. You need not complete the entire survey form; however, items 2 through 6 are required to be completed by all participants.

ALL RESPONDENTS WILL RECEIVE A COMPLIMENTARY COPY OF THE FINAL RESULTS AS WELL AS AN INDIVIDUAL PRODUCTIVITY REPORT FOR EACH OF THEIR STORES.

SPECIFIC LINE ITEMS

LINE

1. A ten character description which you choose to describe the store, e.g. "EASTGATE", "NO. 2", "CARSON AVE.". This description will appear on your computer generated productivity report to identify the store.

2. Store Type

   a. Conventional Supermarket - Full-line, self-service store under 30,000 square feet with annual sales of $2 million or more.
   b. Super Store - Full-line, self-service supermarket of over 30,000 square feet of selling area with expanded selections of food and non-food items.
   c. Superette - Self-service food store with annual sales under $2 million.
   d. Warehouse Store - Self-service supermarket featuring low prices, utilitarian fixturing, a warehouse atmosphere and annual sales of at least $2 million.
   e. Combination Store - A supermarket with at least 25% of area in general merchandise.
   f. Box Store - A limited assortment warehouse-type store.

5. Selling area is that part of the store accessible to customers.

8. Include only hours for store level personnel. If officers/owners are active in store level management, include their hours also.

9. Only give the number of transactions if you operate with electronic cash registers and can then count actual customer purchase transactions.

12. Total number of hours the store was open for business in the average week during 1988.

13-23. Please report department annual sales in dollars.

24-34. Report gross margin in dollars. Do not include non-operating income. In determining the cost of goods sold, use the following formula:

Cost of Goods Sold = Beginning inventory + Purchases of merchandise + Freight-In - Purchase Rebates (based on volume of purchases) - Promotional Allowances (not requiring advertising expenditures or store displays) - Cash discounts + Wholesaler's Fee (if billed separately) - Ending Inventory.

Gross margin must be reported based on the FIFO inventory valuation method.

35-45. Average Inventory - All figures at cost and on a FIFO basis. Compute average inventory for each department by:

a. Adding the beginning inventory for each month plus the end of year inventory and divide this total by 13, or
b. If unable to use (a.), add the beginning inventory for each quarter plus the end of year inventory and divide by 5, or
c. If unable to use (a.) or (b.), just add the beginning and end of year inventory amounts and divide by two.

46. Regular Store Labor includes straight, overtime and regular recurring bonus payments to all store personnel including the manager. Include payments made in conjunction with sickness absence, excused time off, training and commissions. Do not include labor costs for employees not working at the store level or who service more than one store. If officers or owners are active in store management, their compensation should be included.

47. Benefits include the company's share of payroll taxes, federal and state unemployment payments, holiday pay, vacation pay, any payments made under group insurance plans, pension and profit sharing plans, retirement pay, severance pay, Christmas or annual bonus and Workers' Compensation.

EXPENSE DEFINITIONS

Please be sure to give that portion of the expense which relates only to that individual store. Do not include non-operating expenses.

Line #

48. Advertising and Promotion - Includes space and time costs for all advertising media; cost of electros, cuts and mat services; promotion expenses (tape plans, premiums, giveaways, contests); and expenses related to trading stamps. Reduce expenses by advertising allowances if they are expended for advertising media or require store displays.

49. Occupancy - Includes rent (fixed and percentage) on premises, real estate taxes and insurance, building depreciation, and amortization of leasehold improvements.

50. Utilities - Includes all utilities (heat, light, power and water).

51. Maintenance - All maintenance and repairs including outside maintenance services. Include store level labor in Line 46.

52. Store Supplies - Includes checkout and wrapping supplies, prepackaging supplies, maintenance supplies (window cleaning, floor cleaning and rest room supplies), etc.

53. Interest - Includes all interest payments. Estimate the cost for each store by dividing the company's total interest by the number of stores.

54. Other - All store level expenses not included elsewhere, including bad checks, telephone, travel, laundry, licenses, bank charges, cash over and short, outside services, and others. Reduce these by miscellaneous revenues from such sources as vending machines, rides, pay telephone, etc.

RATIO DEFINITIONS AND SAMPLE CALCULATIONS

Performance Measure	Method of Computation ( ) Indicates Survey Line #	Suggested Uses	Computational Example For Sample Company
Sales Data			
Percentage Change From Previous Year	(6) Net Sales minus (7) Previous Year's Net Sales ÷ (7) Previous Year's Net Sales	An indication of company growth. Beware of distortion caused by inflation.	(4,450,107 - 4,097,835) ÷ 4,097,835 = 8.6%
Average Transaction Size	Weekly Net Sales [(6) ÷ 52 weeks] ÷ (9) Average Number of Weekly Customer Transactions	Indicates the typical size of a sales transaction and thus add-on purchase efficiency.	(4,450,107 ÷ 52) ÷ 7,985 = $10.72
Store Sales Per Hour of Operation	Weekly Net Sales [(6) ÷ 52 weeks] ÷ (12) Average Number of Hours of Operation per Week	Indicates sales efficiency, or the store's effectiveness in generating sales volume during a specific time period.	(4,450,107 ÷ 52) ÷ 105 = $815.
Distribution of Sales by Product Category	(13-20) Annual Sales of Each Department Expressed as a Percentage of (6) Annual Net Sales	Shows the relative portion of total store sales for each product category.	
Percentage Income Statement	Each Income Statement Entry Expressed as a Percentage of Net Sales	Shows the relationship between income, costs and margin levels in producing profits.	
Personnel Productivity			
Sales per Labor Hour	Weekly Net Sales [(6) ÷ 52 weeks] ÷ (8) Average Number of Weekly Store Level Labor Hours	Measures the Store's effectiveness in utilizing labor resource to generate sales volume.	(4,450,107 ÷ 52) ÷ 1,095 = $78.15
Gross Margin Per Labor Hour	Weekly Gross Margin Dollars [(34) ÷ 52 weeks] ÷ (8) Average Number of Weekly Store Level Labor Hours	Measures the store's effectiveness in utilizing labor resources to generate gross margin dollars.	(953,811 ÷ 52) ÷ 1,095 = $16.75
Profit Before Tax Per Labor Hour	Weekly Profits Before Tax [(56) ÷ 52 weeks] ÷ (8) Average Number of Weekly Store Level Labor Hours	Measures the store's effectiveness in utilizing labor resources to generate profits.	(157,271 ÷ 52) ÷ 1,095 = $2.76
Sales Per Labor Dollar	(6) Net Sales ÷ (46) Regular Store Labor Expense	Indicates the store's effectiveness in generating sales volume per dollar of labor expense incurred.	4,450,107 ÷ 287,250 = $15.49
Gross Margin Per Labor Dollar	(34) Gross Margin ÷ (46) Regular Store Labor Expense	Indicates the store's effectiveness in generating gross margin dollars relative to labor expense.	953,811 ÷ 287,250 = $3.32
Transactions Per Labor Dollar	(9) Average Number Weekly Customer Transactions ÷ (8) Average Number of Weekly Labor Hours	Another indicator of the store's volume-producing effectiveness relative to labor utilization.	7,985 ÷ 1,095 = 7.3
Payroll Per Labor Dollar	Weekly Regular Store Labor [(46) ÷ 52 weeks] ÷ (8) Average Number of Weekly Labor Hours	Shows the typical payroll cost incurred at the store level per hour worked.	(287,250 ÷ 52) ÷ 1,096 = $5.04

RATIO DEFINITIONS AND SAMPLE CALCULATIONS

Performance Measure	Method of Computation ( ) Indicates Survey Line #	Suggested Uses	Computational Example For Sample Company
Benefits Per Labor Hour	Weekly Store Level Benefits [(47) ÷ 52 weeks] ÷ (8) Average Number Weekly Labor Hours	A further measure of payroll costs expressed on a per hour worked basis.	(34,412 ÷ 52) ÷ 1,095 = $0.60
Payroll to Total Expenses	(46) Regular Store Level Labor Expense as a % of (55) Total Store Level Expenses	Good overall indicator of payroll costs for control purposes. Not distorted by inflation; can be used to compare performance over time, versus industry and store to store.	287,250 ÷ 796,540 = 36.1%
Benefits to Total Expenses	(47) Store Level Employee Benefits as a % of (55) Total Store Level Expenses	A further indicator of personnel related costs; can be used for expense control purposes by comparing expenditures over time relative to total expenses.	34,412 ÷796,540 = 4.3%
Payroll Per Hour of Operation	Weekly Store Level Labor Expense [(46) ÷ 52 weeks] ÷ (12) Average Number of Hours of Operation per Week	Shows the typical payroll cost incurred at the store level relative to the average number of hours the store was open for business per week.	[287,250 ÷ 52] ÷ 105 = $52.61
Space Productivity			
Average Square Footage	The Reported Store Size, Expressed in Total Store and Selling Area (the part of the store that is accessible to customers)		
Weekly Sales Per Square Foot	Weekly Net Sales [(6) ÷ 52 weeks] ÷ (4) Total Area or (5) Selling Area	An overall measure of space productivity; useful for comparing a particular store's results versus the industry averages or versus other stores in a chain operation. However, caution should be used when assessing over time due to "automatic" increases caused by inflation.	[4,450,107 ÷ 52] ÷ 18,500 = $4.63 [4,450,107 ÷ 52] ÷ 16,000 = $5.35
Weekly Gross Margin Per Square Foot	Weekly Gross Margin [(34) ÷ 52 weeks] ÷ (4) Total Area or (5) Selling Area	Similar usage as above measure.	[953,811 ÷ 52] ÷ 18,500 = $0.99 or [953,811 ÷ 52] ÷ 16,000 = $1.15
Weekly Profit Before Tax Per Square Foot	Weekly Profit Before Tax [(56) ÷ 52 weeks] ÷ (4) Total Store Square Footage or (5) Store Selling Area Square Footage	Similar usage as above measure.	(157,271 ÷ 52) ÷ 18,500 = $0.16 or (157,271 ÷ 52) ÷ 16,000 = $0.19
Average Weekly Sales Per Store	Net Sales on a Weekly Basis (6) ÷ 52 weeks	An overall measure of store level productivity. Usage similar to above.	4,450,107 ÷ 52 = $85,579
Number of Checkouts	The Reported Number of Store Checkouts	An indicator of store size and volume activity. used as a productivity indicator when combined with sales and transaction information.	

RATIO DEFINITIONS AND SAMPLE CALCULATIONS

Performance Measure	Method of Computation ( ) Indicates Survey Line #	Suggested Uses	Computational Example For Sample Company
Weekly Sales Per Checkout	[(6) Weekly Net Sales ÷ 52 weeks] ÷ (11) Number of Checkouts	A measure of sales activity which can indicate whether or not checkouts are over or under utilized. Either extreme can be a problem. Over utilization (that is, a high sales per checkout) may point to a possible customer queuing problem. Under utilization (that is, a low sales per checkout) can reflect poor overall store productivity.	(4,450,107 ÷ 52) ÷ 5 = $17,116
Weekly Transaction Per Checkout	(9) Average Number of Weekly Customer Transactions ÷ (11) Number of Checkouts	Similar usage as above measure.	7,985 ÷ 5 = 1,597
Selling Square Footage Per Checkout	(5) Selling Area ÷ (11) Number of Checkouts	An indicator of the balance between store space allocated to customer usage and the number of checkouts available to handle transaction needs.	16,000 ÷ 5 = 3,200
Occupancy Cost (including utilities) Per Square Foot	[(49) Occupancy Expenses + (50) Utility Expenses] ÷ (4) Total Store Area Square Footage	An overall indicator of space costs incurred for each square foot of total store area. Can be compared to industry averages and/or to other stores in a chain to determine whether or not a space oriented profit drain may exist. However, caution should be used when comparing this ratio over time due to inflationary distortions.	(37,947 + 71,420) ÷ 18,500 = $5.91
Occupancy Cost (including utilities) to Total Expenses	[(49) Occupancy Expenses + (50) Utility Expenses] ÷ (55) Total Expenses	Shows the relative significance of space related costs relative to overall store operating expenses; is not distorted by inflation over time.	(37,947 + 71,420) ÷ 796,540 = 13.7%
Transactions Per Square Foot of Selling Area	(9) Average Number of Weekly Customer Transactions ÷ (5) Store Selling Area	Similar in usage as "weekly sales per square foot." However, is not distorted by inflation.	7,985 ÷ 16,000 = .50
Transactions Per 1,000 Square Feet Per Hour	[(9) Average Number of Weekly Customer Transactions ÷ (5) Total Selling Square Footage] ÷ (12) Average Number of Hours of Operation Per Week] x 1,000	Similar to the above measure, but provides a more precise indicator of productivity on a per hour of operation basis.	[(7,985 ÷ 16,000) ÷ 16,000) ÷ 105] x 1,000 = 4.75
Percentage of Selling Area to Total Area	(5) Selling Area Square Footage as a Percentage of (4) Total Store Area Square Footage	Indicates the relative proportion of total store area that is accessible to customers.	16,000 ÷ 18,500 = 86.5%
Inventory Dollars Per Square Foot of Selling Area	(45) Total Inventory Dollars ÷ by (5) Selling Area Square Footage	An indication of the effectiveness with which the store utilizes selling space to display products.	220,616 ÷ 16,000 = $13.79

RATIO DEFINITIONS AND SAMPLE CALCULATIONS

Performance Measure	Method of Computation ( ) Indicates Survey Line #	Suggested Uses	Computational Example For Sample Company
Inventory Productivity			
Gross Margin Percent	Gross Margin Dollars Expressed as a Percentage of Sales (expressed in terms of overall store as well as for individual product categories)	An indication of the store's effectiveness in pricing and selling products relative to the costs of acquiring those products.	
Annual Inventory Turnover	Annual Cost of Goods Sold ÷ Average Annual Inventory (expressed in terms of overall store as well as for individual product categories)	A basic measure of inventory productivity which indicates how fast stock is moving. Useful for comparing your firm versus the industry averages over time, as well as comparing the relative profit contribution from various product categories.	
Gross Margin Return on Inventory (GMROI)	Gross Margin Dollars Expressed as a Percent of Average Inventory (expressed in terms of overall store as well as for individual product categories)	An overall inventory productivity measure which essentially combines both gross margin percent and turnover into one indicator. Excellent for analyzing the profitability of various individual product categories.	

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